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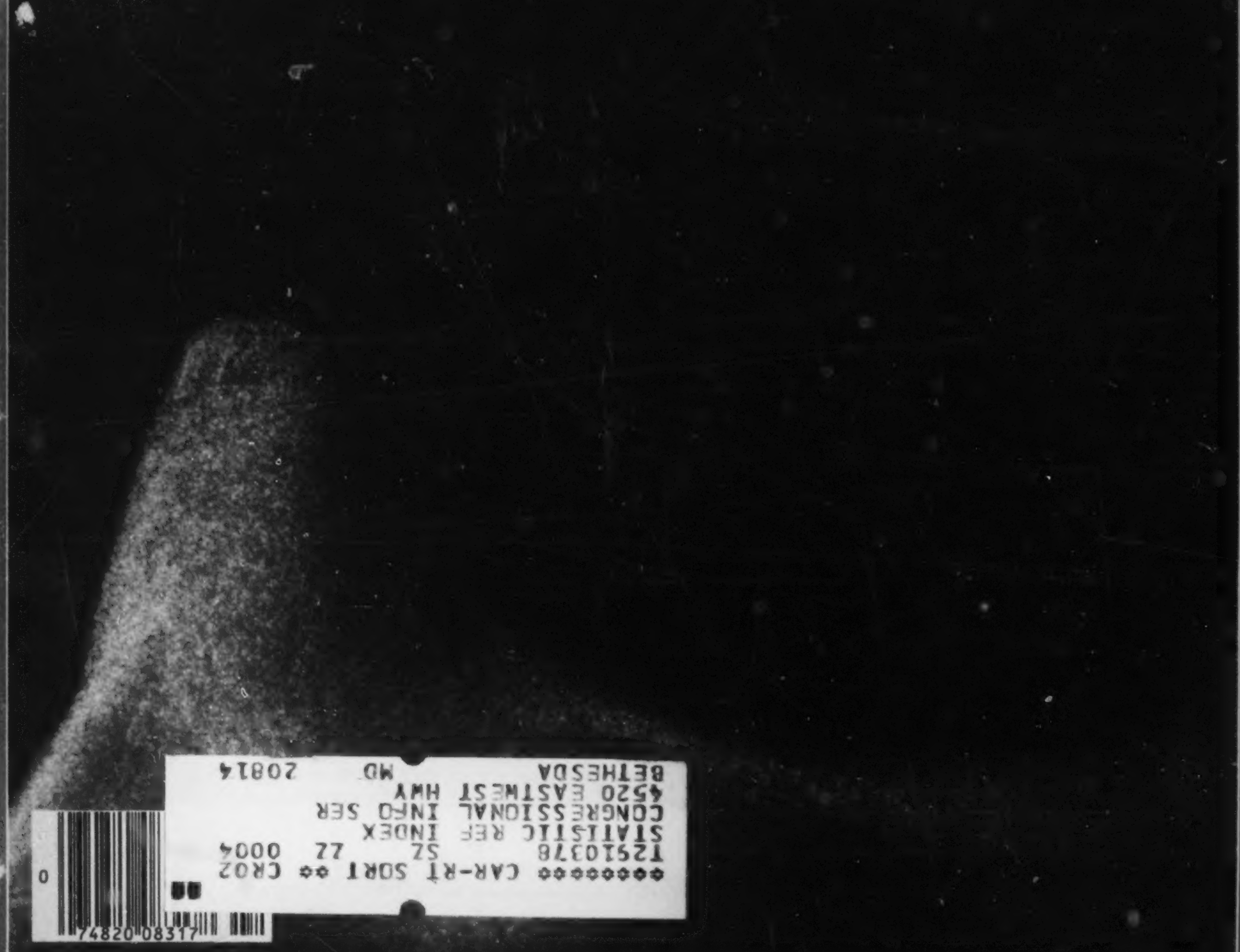
Forbes

BOAT LUST

WHO'S CASHING IN?



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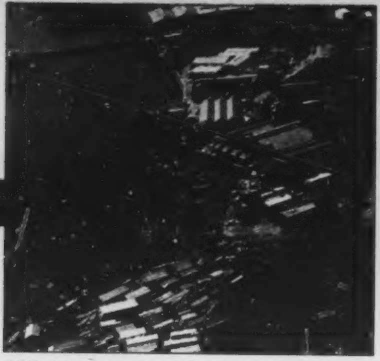
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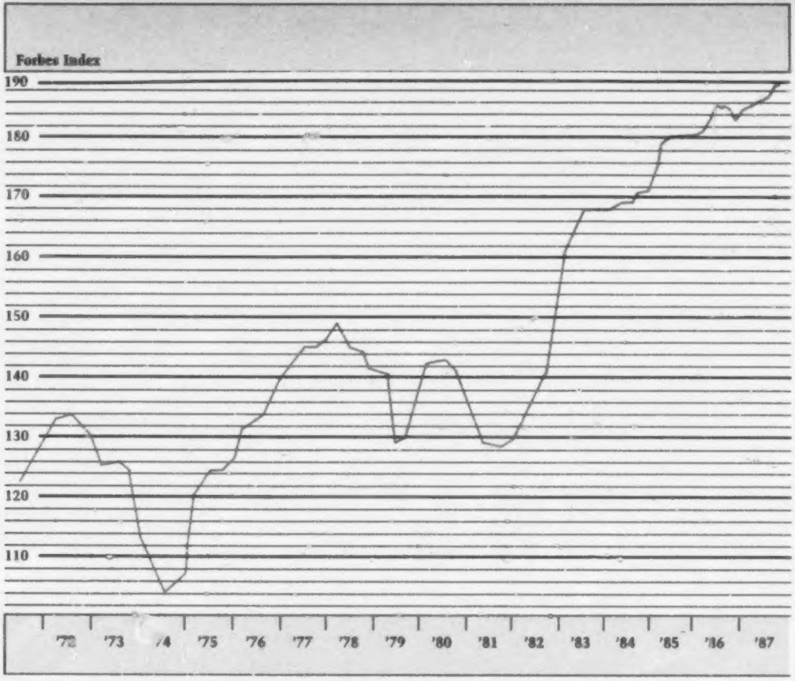
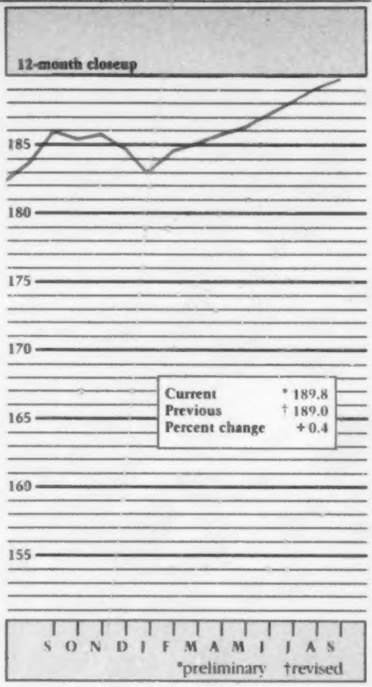
The Forbes Index





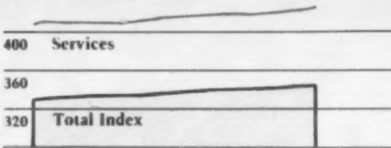
Help wanted. The Forbes Index rose 0.4% during the most recent reporting period, as the current business expansion, now in its 60th month, continues to create jobs. The trailing six-month total for new unemployment claims went down 1.7% in September, marking 14 consecutive monthly declines. Also boosting the Index was the trailing three-month average of consumer installment credit, which increased 0.7% in August, to $596 billion. Concerns over inflation, however, prompted the Federal Reserve to tighten money, which may put a crimp in both job growth and consumer borrowing.

In part because of a weakening of military orders, the ratio of manufacturers' new durable goods orders (three months to August) to inventories (August) fell 0.6%.

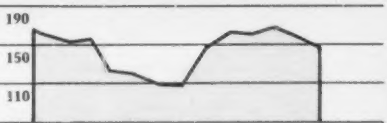
The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

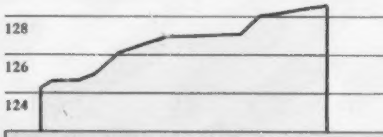
To measure these eight elements, Forbes monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



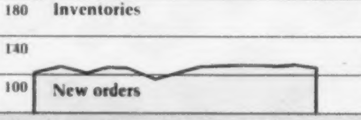
Consumer price indexes (1967 = 100)
all urban consumers, unadjusted (Dept. of Labor)



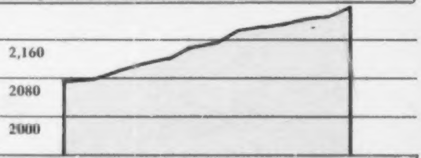
New housing starts (thousands)
privately owned, unadjusted (Dept. of Commerce)



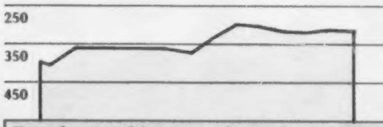
Industrial production index (1967 = 100)
seasonally adjusted (Federal Reserve)



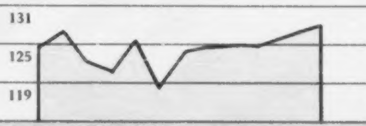
Manufacturers' new orders and inventories
($billions) seasonally (Dept. of Commerce)



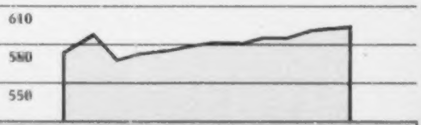
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month
(thousands) seasonally adjusted (Dept. of Labor)



Retail store sales ($billions)
seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions)
total, seasonally adjusted (Federal Reserve)

Billions worth of busted bonds sell for a fraction of par today. Investors who pick the right ones can make a tidy profit.

Cuba sí, WPPSS no

By Matthew Schifrin

"I HOPE TO LIVE to see the day that I am paid off on those bonds," says 96-year-old Ellen Snyder from a nursing home near Wichita, Kans. "I need the income. Those bonds were supposed to be paid off in gold."

Snyder is referring to the czarist Russian 5½s of 1921 that her husband bought in 1919 soon after the debt was repudiated by the Bolsheviks. At around $500 for each bond with a $1,000 face value, the bonds looked cheap. Sixty-eight years later, Snyder hasn't received one cent of interest. If she sold her bonds today she'd be lucky to get $20 apiece for them.

But one person's loss can be another's gain: Buying the right defaulted bonds at the right price can be a rewarding affair. Holders of Avoca (La.) municipal bonds, which defaulted 60 years ago, foreclosed on Avoca Island and ended up with shares of the island worth, in the early 1980s, 180 times their original investment. Max Heine and Michael Price have built Mutual Shares into a billion-dollar fund largely by buying the debt of firms in reorganization. Now, Drexel Burnham's Michael Milken aims to package for public sale the defaulted debt obligations of Latin American governments.

Investing in sovereign defaulters is tricky. There are often political problems along with the economic ones. Notwithstanding this fact, such Soviet satellites as Poland, Bulgaria, Hungary and Rumania have settled the millions in debt they inherited from previous regimes. Last December Czechoslovakia paid $980 per $1,000 bond to redeem issues from the 1920s that were due in the 1950s and 1960s. Since Czechoslovakia didn't pick up the omitted interest, it was stopping far short of full recompense to the bondholders, however.

Bolivian bonds are an interesting speculation at 12 cents on the dollar. "They just paid their Oct. 1 payment on time," says an administrator at Bolivia's fiscal agent, the Bank of New York. "That was a real shock." Wall Street's skepticism about the bonds is playing into Bolivia's hands. The La Paz government is buying them up in the open market at a hefty discount to satisfy sinking fund requirements.

International law is often on the side of the creditors, but enforcement is another matter. Then there's a U.S. statute prohibiting financial transactions with any nation that has stiffed the U.S. government. But that law was of no help to U.S. individuals who bought pre-1949 Chinese government railway bonds. Last March the U.S. Supreme Court refused to review the dismissal of a bondholder claim against the Chinese government.

Why, then, are the czarist bonds trading as high as 2 cents on the dollar? A recent, modest settlement by the U.S.S.R. for bondholders in the U.K. has raised hopes. A group of 300 U.S. bondholders of Russian debt, led by Carl Marks & Co., a brokerage firm specializing in foreign credits, is valiantly pursuing the Russians in a U.S. appeals court.

There are deadbeats at home to rival the communists. Bonds issued by the Washington Public Power Supply System to finance its Projects 4 and 5 nuclear plants are in default because municipalities in Washington welshed on take-or-pay power contracts. WPPSS 4 and 5 bonds are trading at 12.5 to 15.5 cents on the dollar, lower even than pre-Castro Cuban bonds *(see table)*. Apparently elected officials in Washington State are less reliable than communist dictators.

For smaller speculators in defaulted corporate and municipal bonds, a problem is getting information on the

The living dead

The ten bonds below are trading at bankruptcy prices, even though three issuers made their most recent interest payment: Public Service Co. of New Hampshire, Bolivia and Ohio Air Quality Development.

Issuer date of maturity	Amount outstanding ($mil)	Issue date	Default date	Recent price (per $1,000)
Ohio Air Quality Dev 6½s '98* (LTV)	$13.5	1973	NA	$730
Zapata Corp. 10¾s '97	41.5	1977	1986	590
Public Service Co. of New Hampshire 17½s 2004	425.0	1984	NA†	390
Beker Industries 15⅞s 2003	65.0	1983	1985	368
LTV Corp 11½s '97	50.8	1985	1986	359
Intrepid Museum [illegible]s 2012*	14.2	1981	1985	300
Cuba 4½s '77	44.4	1938	1960	185
WPPSS Projects 4 & 5*	2,250.0	1977-81	1983	125-155
Bolivia 3s '95	56.3	1968	NA‡	120
Imperial Russian 5½s '21, 6½s, '19	75.0	1916	1918	20

*Tax-exempt. †Company has announced it may not make interest payments. ‡Bond is current on interest but has history of late payments. NA: Not available or not applicable.

Sources: Foreign Bondholders Protective Council; Bond Investors Association; bond dealers; Moody's.

issuers. One source is the *Defaulted Bonds Newsletter,* published by the Bond Investors Association of Miami Lakes, Fla. President Richard Lehmann, who serves on the bondholders committee for the WPPSS bonds, has been buying defaulted bonds for over 13 years.

Lehmann recommends buying corporates anywhere from six months to a year after a default. "During this time practically no information is available from the bankrupt entity," he says, and fear of the unknown depresses prices. Yet balance sheets from before the reorganization, and details of the bond indenture may show value in the senior securities. For example, less than a year after Beker Industries, a Greenwich, Conn. fertilizer company, filed for bankruptcy in October 1985, its $65 million of first mortgage bonds traded as low as $200 per $1,000 face value. Lehmann says they're a buy today at $368. The reorganization plan, which could be consummated by early 1988, calls for an exchange of each bond into an estimated $560 of new preferred and common stock.

"[Bolivia] just paid their Oct. 1 payment on time," says a bond administrator. "That was a real shock."

How about tax-exempt issues? Lehmann says there are 1,700 that have gone into default, most of them small issues with no governmental backing. (Only two municipal governments with investment-grade ratings have defaulted on general-obligation bonds in recent years, New York City in 1975 and Cleveland in 1978.)

One issue that Lehmann is following is the Intrepid Museum 16s of 2012, issued by a nonprofit organization to refurbish the aircraft carrier. A proposed settlement calls for bondholders to get $230 per $1,000, despite the fact that the bonds traded at $940 just before they defaulted in 1985 and have traded above $300 recently. Bondholders may fight in bankruptcy court for a better settlement.

The tax-exempt pollution control bonds associated with LTV's Youngstown Sheet & Tube division have been getting the attention of speculators. In August 1986, just after LTV filed for bankruptcy, the bonds traded as low as $450 per $1,000. But, thanks to a debt reserve account, these first mortgage bonds are current on their interest payments. They're going for $730 now. ■

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Boating sales, fueled by easy credit, are booming as never before. Is it the last hurrah of the great consumer binge? Or is boating's prosperity a demographic inevitability?

Dollars ahoy!

By Howard Rudnitsky and Richard L. Stern

LAST YEAR J. Orin Edson, 54, sold his Bayliner Marine Corp. to Brunswick Corp. for a quick $425 million and walked away with almost $400 million of it in cold cash. Only weeks later Cornelius (Connie) Ray, 62, sold his Sea Ray boat company, Ray Industries, to Brunswick, for $350 million. Edson joined the exclusive Forbes Four Hundred. (Ray, who shared ownership of the company with his employees, didn't quite make the list.)

America's current prosperity has been fueled by tax cuts and the most exuberant consumer spending in history. Surfeited with other consumer goods, affluent Americans have turned increasingly to buying boats. On easy—very easy—credit, of course.

Orin Edson and Connie Ray were a couple of smart businessmen in the right place at the right time. Over the last five years the two have been at the center of boating industry changes that have put fancy yet affordable recreational powerboating within the economic reach of more Americans than ever before. By streamlining boatbuilding and by transforming it into the low-labor-cost, high-volume business it is now, Edson and Ray have helped create a healthy and profitable manufacturing sector that is bringing jobs to small towns and cities throughout America.

Frank Fournier/Contact

The country's passion for boating is obvious on any fair-weather weekend on waterways from New York's majestic Hudson River to California's Avalon harbor off Catalina Island. At marinas across the country the shortage of docking space has produced long waiting lists of boat owners looking for somewhere to tie up. The slip scarcity has also created an only-in-America phenomenon, the dockominium, where boat owners can buy their slips for prices ranging from $1,000 per square foot to $3,000 (FORBES, *Sept. 21*).

An estimated 100,000 Americans bought their first powerboats last year, most spending less than $12,000. But boating turns out to be a particularly seductive addiction. Once they've bought in, people tend to keep on buying, so long as their money or credit holds out. So 350,000 to 400,000 boat owners last year traded up to more elaborate and usually more powerful craft.

It wouldn't be modern America if these were all basic open boats with outboard engines for dedicated sports people. Most are, but an increasing number are much more. The new trend is toward boats as family recreation centers. For the price of a good car Americans can buy a 20-foot-plus boat with a head, galley and cuddy cabin that will sleep mom and pop and a couple of kids. Beyond that, but still short of the traditional yacht, is the floating living room, replete with heating and air-conditioning. Air-conditioning? Absolutely. And a full array of electronics from satellite uplinks for navigation and communications, to radar, sonar fish finders and anticollision warning devices.

Joseph Yablonsky, a 47-year-old partner in the Minneapolis office of Laventhol & Horwath, a national accounting firm, has an air conditioner and heating system in his boat. These amenities extend the boating season on Lake Minnetonka, 20 minutes from downtown Minneapolis, where he docks his luxurious 43-foot Wellcraft Portofino. "It's so restful and wonderful," he says.

Add it up: air-conditioning, fish-finding equipment and the craft itself. It turns out that Americans spent more than $7 billion last year on boats and another $7 billion or so on boating equipment and services. That $14 billion is more than they spent on cosmetics or dog food or rock music, and boating is growing faster than any of these. Motorboat sales have increased at least 15% a year since 1982.

In boating, only sailboats are lagging, with total sales last year of about half a billion dollars. What's the matter with sailing? Too much effort and training required. And industry marketing surveys show that most buyers see sailboating as an elitist sport that is just too much trouble for most people. Powerboating, on the other hand, is regarded as an upwardly mobile, prestigious leisure-time activity. No mystery here. People buy boats to fish, water-ski, socialize and cruise America's waterways.

Is all this one more sign of the growing self-indulgence of the American people? Maybe, but the boating phenomenon has solid demographic underpinnings. The people of the so-called baby boom generation are moving into their boat-buying years. The rule of thumb is that folks catch boating fever between 35 and 45 as their incomes grow. First, people buy new cars, and then they start renovating their homes or buying new ones. After that they begin coveting boats. Buying boats is like eating peanuts: You can't stop at one. The urge is toward faster and bigger. There's even a name for this, says Jeffrey Napier, head of the National Association of Marine Manufacturers: the "five-foot-a-year disease."

Robert Zubrin, 49, of Cherry Hill, N.J., runs a window replacement business. He bought his first power boat less than a year ago—a relatively modest 21-foot Bayliner that cost him about $18,000, with trailer. Early this summer he moved up to a $35,000 25-footer that sleeps six. Zubrin, once an avid golfer, now spends weekends with his family cruising the Chesapeake Bay and is haunting boat shows in search of the right 32-foot craft.

Zubrin, most atypical for boat buyers, paid cash. But lenders, from your friendly local bank to GMAC, have found that boat loans are among their safest. So they are throwing money at aspiring commodores. More than that, Shearson Lehman Brothers intends to offer boat-loan-backed securities, just as it already does with mortgage-backed securities.

A majority of boat buyers this year will finance their purchase with an average loan of $25,000. As with second homes and recreational vehicles, the interest on boat loans is tax-deductible so long as the boat has a head and cooking facilities. That's right: From the tax collector's point of view, a boat with a toilet and a galley is indistinguishable from a second home. No surprise, then, that some boats, even under 20 feet, come with heads and galleys.

Lenders are knocking each other over in the rush to lend to boat-hungry consumers. Banners over some finance company booths at September's Norwalk, Conn. boat show were advertising 9.75% fixed-rate financing with 10 to 15 years to pay, depending on the size of the loan. Try to get those terms on a home loan these days.

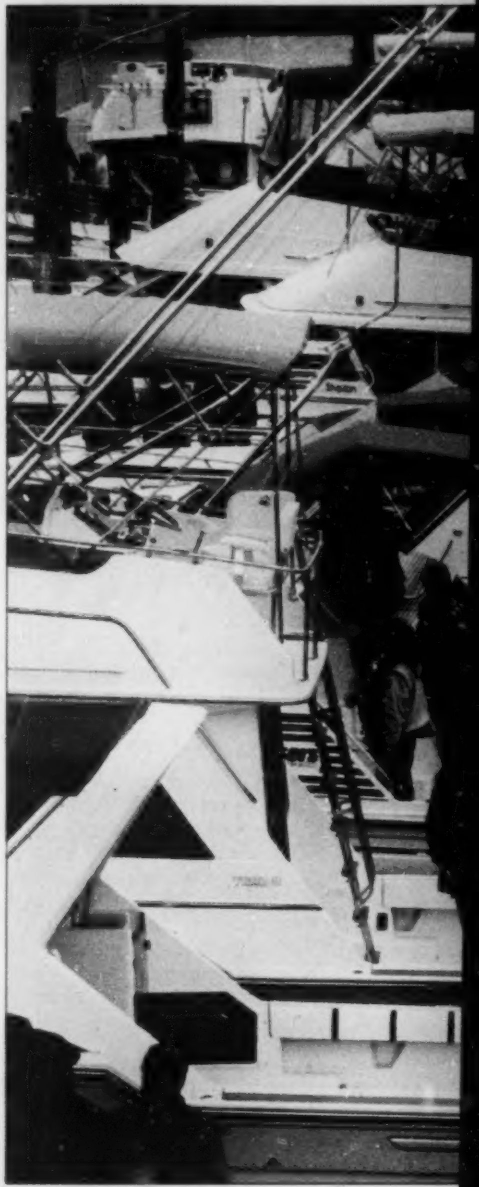
Who's cashing in on this nice little bonanza? Though just about anybody who makes a boat today is making a profit, the big money is made by a relative handful. Fifteen years ago boating was a small industry with hundreds of boatmakers churning up maybe a quarter of today's revenues. Today maybe 150 of these powerboat makers remain, and it is likely that in a few short years many of those will be gone as well. Changes in manufacturing methods have taken boats into the mass-production age.

In a few years a handful of companies will account for about half of industry volume as economies of scale, and the ability to spend big on advertising, innovation and dealer networks allow the survivors to shut out smaller, undercapitalized rivals. Certainly there will be small, independent boatmakers, but they will compete for regional markets or as niche players with specialized craft.

Already, four companies, Skokie, Ill.-based Brunswick, Genmar Industries in Minneapolis, Outboard Marine in Waukegan, Ill. and Miramar Marine Corp. out of Dallas, account for 30% of some industry sales, and next year it could be 40%. The industry's transformation happened so quickly that a couple of major players, the country's biggest enginemakers, almost got left at the dock.

Just a year ago it suddenly dawned on Brunswick, which makes the industry's top-selling Mercury power plants, and Outboard Marine Corp., maker of Johnson and Evinrude motors, that the boating boom was running away from them. The growing strength and profitability of the boatbuilders meant that companies like Bayliner and Sea Ray were beginning to influence the price of engines used in their boats. That meant shrinking margins for the enginemakers.

So late last year Brunswick up and bought Bayliner and Sea Ray, paying $775 million for the two largest boatmakers in the business. Brunswick accordingly became the giant of the industry. This year some $2 billion, or two-thirds, of Brunswick's revenues and an estimated 70% to 75% of the company's profits will come from engines and boats.



Outboard Marine Co. quickly followed suit, paying just under $125 million for five smaller boatmakers, including Four Winns, which had tripled sales in the three previous years. Outboard Marine is the third-largest boatmaker, with boating sales of $200 million this year.

There are two other big players. In Texas the Thompson family, which has been running Southland Corp. and the 7-Eleven chain, runs Miramar. Miramar now owns three boat companies, including family-cruiser maker Carver Boat Corp., with a little

Frank Fournier/Contact

Crowds at the Norwalk, Conn. boat show in September
Seductive addiction, reinforced by the "five-foot-a-year" disease.

under $200 million in revenues.

The second-largest boatmaker is Minneapolis-based Irwin Jacobs and his Genmar Industries. Jacobs, better known as Irwin the Liquidator for his company's selling of surplus stocks, as well as for his habit of buying and stripping businesses, is serious about building a major boat company. Over the last few years he has snapped up a number of well-known companies, including Hatteras, long counted among the Rolls-Royces of production yachts. His fleet also includes the $250-million-plus Wellcraft Co., which makes a full line of powerboats—including the high-performance Scarab, of *Miami Vice* fame. All told, Genmar's revenues this year will be about $460 million, second only to Brunswick in boatbuilding.

The growing power of the big four is impressive. While revenues for the powerboat industry have been growing at about 15% a year for the last five years, revenues at the big four are growing by two to three times that. At Brunswick it is likely that Bayliner's sales for 1987 will come in at $550 million, nearly a 30% rise over 1986, according to President Vinton (Slim) Summerville. Sea Ray's revenues should be up at least 30%, to $450 million, says Connie Ray.

What paved the way for the emergence of major boatbuilders were the changes in manufacturing methods. This made it possible to mass-produce boats with low labor costs. Orin Edson was a Seattle boat dealer who realized in the 1970s that he would make more money if he manufactured the boats he sold. With the advent of fiberglass as a construction material, boatbuilding had become a likely candidate for mass production with relatively unskilled labor, and without a huge investment in plant

Outboard Marine Corp. Chairman Charles Strang piloting a Four Winns on Lake Michigan

Richard Derk

He almost missed the boat.

and equipment. A typical boatbuilding plant of Bayliner or Sea Ray costs only $2 million, and most of these plants are situated in small towns where nonunion labor is reasonable and cooperative.

Tooling? Not dear. Most new boat models cost $50,000 to $100,000 to create. Fashioned first in wood, the model is sprayed with fiberglass and sanded smooth to create a plug. The plug is then coated with fiberglass to make a hollow mold. Waxed and sprayed with fiberglass, the mold is used again and again to make hulls and decks that are then assembled into finished boats.

Need increased manufacturing capacity and another assembly line? Just make another set of molds. Connie Ray appreciated the appeal of fiberglass for boatmaking early on. He maintains he started building boats because he found his original business, manufacturing fiberglass coffins, too depressing.

Throughout the 1970s Edson built boats for other dealers as well, and Bayliner began moving east. By 1980 revenues were $80 million, which then was enormous for a boat company. But in 1981, as interest rates hit near 20%, Bayliner's revenues sank to $50 million and profits almost disappeared. Edson's solution was patterned after Henry Ford and the Japanese automakers.

As late as 1980, a lot of boats were built to order. The buyer had a huge choice of options, which included color, seating, engine size, radio, depth-finder, etc. Large and varied inventories were the costly rule. Edson changed that. Like the Japanese, Edson loaded his boat with options, including a trailer, and made them standard equipment. Like Henry Ford, he offered a very limited selection of colors. (Ford, as you'll recall, once decreed customers could have any color car they wanted so long as it was black.)

At first, Bayliner's dealers groaned and insisted they could never sell cookie-cutter-produced boats like that. They were wrong. Buyers were delighted. They got more boat for their buck. They took delivery faster and in most cases could be on the water the same day they signed the papers. Perfect for the Dr. Spock generation.

Equally important, standardization reduced the cost of producing the boats. The cost of labor alone, without those work-intensive special orders, dropped from around 20% of the cost of the boat down to 8% to 12%. One result: Between 1982 to 1986 Bayliner boat sales improved from 5,000 to 47,000 units, ranging from $5,000 15-footers that come with trailer and 50hp engines to 45-foot diesel-powered craft that cost almost $300,000.

While Edson was building a Ford, Connie Ray was building a reputation for a more expensive, well-engineered, high-quality craft, with a price tag of up to $350,000, but also produced in volume. Ray, smartly, not only targeted the right lucrative audience but also made sure his dealers got rich. He earned their loyalty by producing a fine product and letting his dealers open in as many as three different locations. Most companies restrict their dealers to one showroom apiece.

Today a Sea Ray dealership (there are only 130) is easily one of the most sought after in the industry. When Ray sold out to Brunswick last year,

Full steam ahead

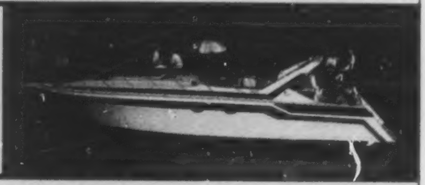
The powerboat business has become increasingly dominated by four major companies, which this year should account for 30% of industry sales. The four have acquired 15 boat manufacturers altogether, among them some of the biggest and best-known names in the industry. Their boat lines range from simple craft, affordable family boats, all the way up through yachts costing over $1 million.

Brunswick Corp. (estimated 1987 boat sales: $1 billion)

19-foot Bayliner Capri

	Size range (in feet)	Prices*	
Bayliner	15 to 45	$5,000 to $250,000	Largest pleasure-boat maker. Family boats: runabouts to diesel yachts
Sea Ray	16 to 46	$8,000 to $345,000	Sportier, higher-priced craft Runabouts, high-performance speedboats, fishing boats, cruisers

Genmar Industries Inc. (estimated 1987 sales: $460 million)



43-foot Wellcraft Portofino

	Size range (in feet)	Prices*	
Lund	12 to 21	$900 to $20,000	Aluminum and fiberglass fishing boats
Glasstron	16 to 23	$5,000 to $28,000	Runabouts and powerboats
Larson	15 to 30	$4,000 to $58,000	Family boats: runabouts to small cruisers
Wellcraft	17 to 50	$4,000 to $200,000	Sportier craft: family cruisers, high-performance speedboats and sleek cruisers
Hatteras	32 to 77	$117,000 to $1.8 million-plus	Rolls-Royce-class motor yachts, sport fishing boats

Miramar Marine Corp. (Thompson family) (estimated 1987 sales: $175 million)

Ranger's Commanche bass boat

	Size range (in feet)	Prices*	
Ranger Bass Boats	15 to 20	$12,000 to $20,000	Fiberglass bass boats
Carver	.1 to 42	$21,500 to $252,000	Sports and family boats and cruisers
Californian Yachts	42 to 55	$209,500 to $458,000	Luxury yachts

Outboard Marine Corp. (estimated 1987 boat sales: $200 million)

Four Winns Candia

	Size range (in feet)	Prices*	
Lowe	8 to 30	$1,000 to $30,000	Aluminum fishing boats, general-utility, aluminum pontoon boats
Stratos	16 to 21	$7,000 to $20,000	Runabouts, high-performance bass boats
Sunbird	16.5 to 23	$8,400 to $20,000	Runabouts, performance boats
Seaswirl†	16 to 22	$9,800 to $21,000	Small powerboats
Four Winns	16 to 33.5	$9,600 to $78,000	Runabouts to family cruisers

*Base prices. †Made by Bramco.

Michael Abramson

Brunswick Chairman Jack Reichert
Almost overnight, a giant.

14 of his executives became millionaires—8 of those became multimillionaires.

Jacobs, perhaps because of his mass-merchandising background, took a different tack. Jacobs' dealers blanket the country, the more the merrier. With the acquisition of Glastron Boats, Genmar now has more than 1,000 outlets.

"Dealers are the key to selling boats," says Jacobs. And having five boat lines, with different brand names, is a way of getting more dealers without offending existing dealers. Outboard Marine knows this, too. Its Evinrude and Johnson brands are identical engines that are sold by different dealers. Bayliner is now introducing a new upmarket line of boats called Maxum that will be sold through an entirely new dealer network.

The surprise in all this was that, as sales began escalating, the boatbuilders were picking up most of the profits and the engine builders were eating low on the hog. Customers shopped for boats, not engines, so the boat dealers were able to play one enginemaker off against another for the biggest discounts. The shrinking margins on engines hurt the manufacturers badly, because they were all putting out much the same product and engine-making is a capital-intensive business.

Then, as if they didn't have enough problems, U.S. manufacturers in 1983 suddenly had Yamaha breathing down their necks. The nervy Japanese made a better engine; more reliable, more economical and more impervious to saltwater corrosion than anything then put out in this country. Now, even though the rising value of the yen has pushed its prices higher, Yamaha has built a reputation for excellence akin to Honda and Toyota in cars. "Yamaha came in here, looked at what was wrong with American engines and then proceeded to make a better one," says Reggie Fountain of high-performance Fountain Powerboats.

Which is why Brunswick and Outboard Marine began buying boat-

Steve Leonard

Genmar's Irwin Jacobs
Blanketing the country with dealers, the more the merrier.

makers. It would give them a captive market for their engines and a profit on the whole sale, not just on the most capital-intensive and low-profit part of it. The boatbuilding part, moreover, is pretty safe from Japanese competition. Except at the high end of the boat market, freight costs are too high to permit shipping the product a long distance.

Watch out for the Koreans, though. Hyundai recently announced that it would begin selling luxury yachts, 35 feet and up, by next summer. But even the Koreans admit that they can't compete in the main segment of the market, smaller boats.

No doubt boating does have two things going for it: the demographics of an aging population with more discretionary income, and the psychology of self-indulgence.

But how long can the buying continue at the present pace? How much more debt can U.S. consumers take on? What will happen when the economy turns down?

Answers Irwin Jacobs, boasting of the advantages of size: "We can make a small profit even if there's a 40% to 50% downturn." During the 1970s oil embargo, he recalls, the boating business turned down about 25%, and yet well-run companies still made a little money. "When the next downturn comes," says Richard Genth, chairman of Donzi Marine, known for high-performance speedboats, "the big boys will catch a cold, but the smaller guys will get pneumonia."

In any case, when it does come, neither Orin Edson nor Connie Ray will feel any pain. They were smart enough to sell out at what could well be the top of the market. ■

What might have been

Perhaps this country's best-known name in boating, Chris-Craft shows what can go depressingly wrong when a family-owned business gets gobbled by the wrong conglomerate.

Two years before Carl Friedrich Benz patented the automobile in 1886, Christopher Columbus Smith built the powerboat in Algonac, Mich. Ten years before that, he had founded Chris-Craft. For generations, graceful, wood-hulled Chris-Crafts dominated the market, even more than General Motors once towered over the automobile business. At one time Chris-Craft sold more pleasure powerboats than the next 70 companies combined.

By 1960 sales had powered up to $48 million—maybe $180 million in current dollars. The Smith family finally cashed in and sold out for $40 million to the Delaware-based Nafi Corp., a conglomerate that also made auto parts, was in oil and gas, and owned TV stations. Nafi became Chris-Craft Industries, Inc. For the next nine years Chris-Craft clung to its number one spot in the industry and boosted sales to nearly $70 million.

A 1940s Chris-Craft runabout
Almost swamped by the wrong conglomerate.

Then the dealsters moved in. In 1969 financial man Herbert Siegel acquired control of the company and later ousted Nafi's management.

From then on it was downhill. The Siegel team seemed little interested in profitably running a boat company. It was more interested, on the other hand, in using the company's $10 million cash in an extended but unsuccessful attempt to buy Piper Aircraft.

By the 1970s fiberglass had come into its own as a boatmaking material, but Chris-Craft was slow to get the message. It steadily lost money and market share, and by 1981 sales had fallen to $26 million and the company's dealer network was down to 30, from a high of at least 300.

By the end of that year Siegel had amassed a conglomerate of television and entertainment properties. By the terms of a complex deal set in December 1981, he sold off Chris-Craft boating operations for some $8 million.

The buyers were a group of investors led by G. Dale Murray, a real estate and coal mining dealmaker, and attorney F. Lee Bailey, who talked Murray into buying the sick company and then joined the board. Richard Genth, who had briefly run Chris-Craft for Siegel, also put money into the company.

Though little else was left, Chris-Craft still had a magic name, and Murray and Genth capitalized on that. They poured money into the company, hired a top-notch boat designer, added new dealers (now 225) and bought two small boat companies. Their timing was exquisite. The boat business began booming, and by the end of 1984 sales had risen to about $120 million.

But running a tight operation apparently was not Genth's strong point. Chris-Craft had an inventory "shrinkage" problem that cost the company most of its profit that year. Murray finally eased him out in August 1984, and Genth went off to form his own company, Donzi Marine.

Since that time sales increased more modestly, to an estimated $175 million last year. But difficulties persist. ~~Last year~~ Chris-Craft had a quality control problem involving over $1 million worth of boats. The problem, according to other industry executives, was a familiar one: distracted management. "Murray was distracted by a problem in a Florida real estate venture," says one top executive. "He's involved in too many deals. He's not in the boating business every day." As a result, Murray sold 44% of the company to the near-billionaire Saudi investor Ghaith Pharaon in December 1986. Now, Murray says, things are picking up, but that remains to be seen. No matter what happens now, Chris-Craft is unlikely to be what it once was.—**H.R.**

As it gets tougher for the U.S. to sell arms abroad, it gets easier for the Soviets. They reap advantage both in money and in political influence.

Russia: arms merchant to the world

By Pranay Gupte

THE THIRD WORLD arms trade is becoming a buyers' bazaar. Worth $58.3 billion in 1982, according to Richard F. Grimmett of the Congressional Research Service, the business was $29.2 billion last year.

Like auto manufacturers loaded with excess inventory, the sellers are offering easier and easier terms and jostling one another for business. In 1985 Saudi Arabia wanted to add one or two squadrons at $30 million a plane of McDonnell Douglas F-15 interceptor jets to the 60 jets the Saudis already owned. The Israelis objected. The Saudis gathered their robes and went shopping in Europe. The French were eager to sell Mirage 2000 fighters, but the Saudis awarded an $8.2 billion contract to British Aerospace for 72 Tornados, 30 Hawk jet trainers, 30 Swiss-made Pilatus PC-9s turboprop trainers, plus missiles, ammunition and spare parts. The deal ensured that the British manufacturer and its West German and Italian partners would stay in good health for several more years. Prime Minister Margaret Thatcher personally thanked Saudi King Fahd.

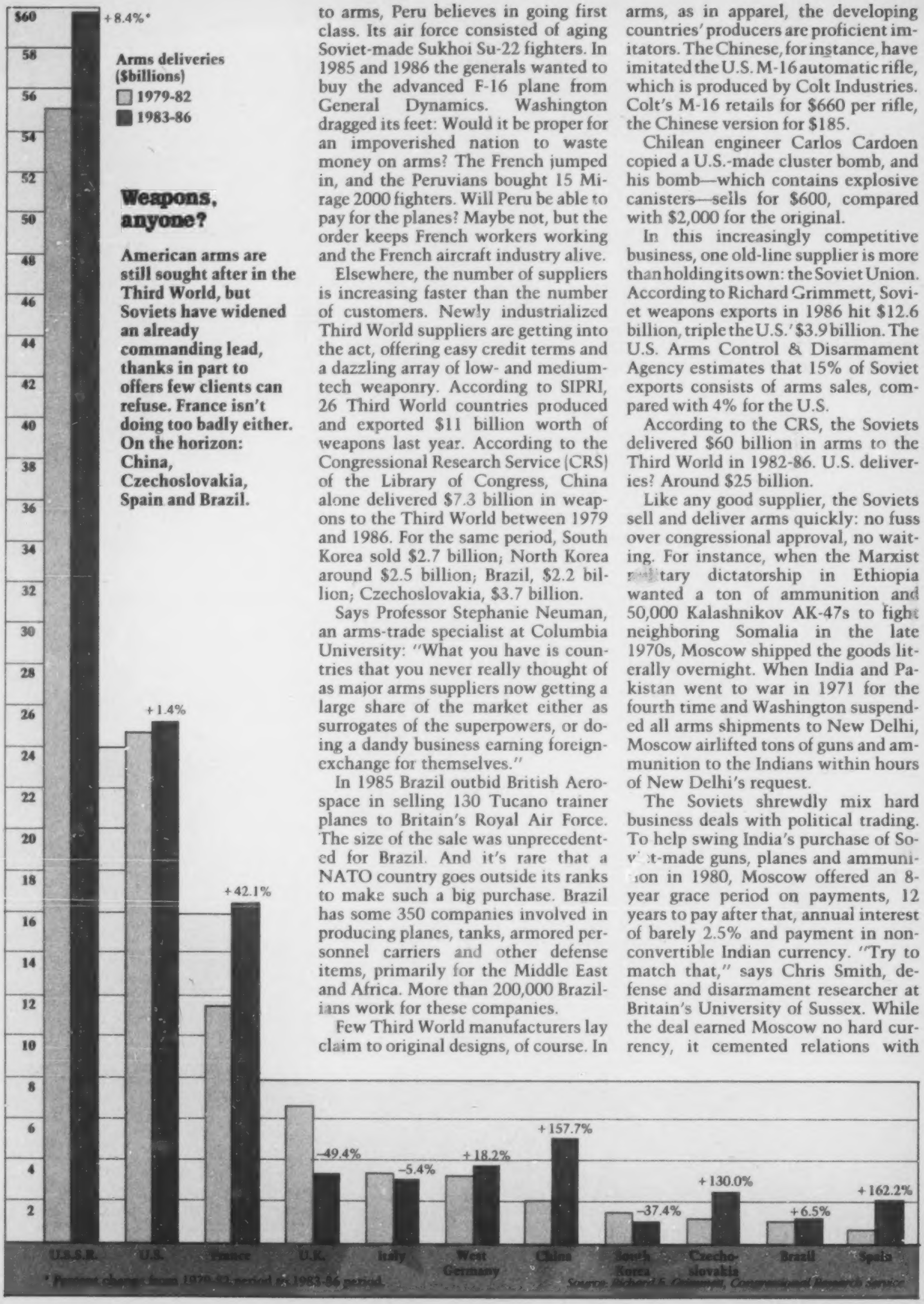
Many European armsmakers, and not only the "peace-loving" Swedes (FORBES, *Oct. 19*), are struggling for survival and—unbound by naive American concepts of morality—are offering blandishments in various forms as never before.

The major European suppliers—France, West Germany, Britain and Italy—have increased their share of weapons exports to the Third World. Figures from the Stockholm International Peace Research Institute (SIPRI), comparing 1977-81 sales with 1982-86 sales, show that the combined share of these four European arms producers rose from 23% to 28%.

Take Peru, a bankrupt nation, steeped in poverty. But when it comes

Stuart Franklin/Magnum

University of Sussex defense researcher Chris Smith
"Try to match that," he says of Soviet incentives.



Weapons, anyone?

American arms are still sought after in the Third World, but Soviets have widened an already commanding lead, thanks in part to offers few clients can refuse. France isn't doing too badly either. On the horizon: China, Czechoslovakia, Spain and Brazil.

** Percent change from 1979-82 period to 1983-86 period.*

Source: Richard F. Grimmett, Congressional Research Service

to arms, Peru believes in going first class. Its air force consisted of aging Soviet-made Sukhoi Su-22 fighters. In 1985 and 1986 the generals wanted to buy the advanced F-16 plane from General Dynamics. Washington dragged its feet: Would it be proper for an impoverished nation to waste money on arms? The French jumped in, and the Peruvians bought 15 Mirage 2000 fighters. Will Peru be able to pay for the planes? Maybe not, but the order keeps French workers working and the French aircraft industry alive.

Elsewhere, the number of suppliers is increasing faster than the number of customers. Newly industrialized Third World suppliers are getting into the act, offering easy credit terms and a dazzling array of low- and medium-tech weaponry. According to SIPRI, 26 Third World countries produced and exported $11 billion worth of weapons last year. According to the Congressional Research Service (CRS) of the Library of Congress, China alone delivered $7.3 billion in weapons to the Third World between 1979 and 1986. For the same period, South Korea sold $2.7 billion; North Korea around $2.5 billion; Brazil, $2.2 billion; Czechoslovakia, $3.7 billion.

Says Professor Stephanie Neuman, an arms-trade specialist at Columbia University: "What you have is countries that you never really thought of as major arms suppliers now getting a large share of the market either as surrogates of the superpowers, or doing a dandy business earning foreign-exchange for themselves."

In 1985 Brazil outbid British Aerospace in selling 130 Tucano trainer planes to Britain's Royal Air Force. The size of the sale was unprecedented for Brazil. And it's rare that a NATO country goes outside its ranks to make such a big purchase. Brazil has some 350 companies involved in producing planes, tanks, armored personnel carriers and other defense items, primarily for the Middle East and Africa. More than 200,000 Brazilians work for these companies.

Few Third World manufacturers lay claim to original designs, of course. In arms, as in apparel, the developing countries' producers are proficient imitators. The Chinese, for instance, have imitated the U.S. M-16 automatic rifle, which is produced by Colt Industries. Colt's M-16 retails for $660 per rifle, the Chinese version for $185.

Chilean engineer Carlos Cardoen copied a U.S.-made cluster bomb, and his bomb—which contains explosive canisters—sells for $600, compared with $2,000 for the original.

In this increasingly competitive business, one old-line supplier is more than holding its own: the Soviet Union. According to Richard Grimmett, Soviet weapons exports in 1986 hit $12.6 billion, triple the U.S.' $3.9 billion. The U.S. Arms Control & Disarmament Agency estimates that 15% of Soviet exports consists of arms sales, compared with 4% for the U.S.

According to the CRS, the Soviets delivered $60 billion in arms to the Third World in 1982-86. U.S. deliveries? Around $25 billion.

Like any good supplier, the Soviets sell and deliver arms quickly: no fuss over congressional approval, no waiting. For instance, when the Marxist military dictatorship in Ethiopia wanted a ton of ammunition and 50,000 Kalashnikov AK-47s to fight neighboring Somalia in the late 1970s, Moscow shipped the goods literally overnight. When India and Pakistan went to war in 1971 for the fourth time and Washington suspended all arms shipments to New Delhi, Moscow airlifted tons of guns and ammunition to the Indians within hours of New Delhi's request.

The Soviets shrewdly mix hard business deals with political trading. To help swing India's purchase of Soviet-made guns, planes and ammunition in 1980, Moscow offered an 8-year grace period on payments, 12 years to pay after that, annual interest of barely 2.5% and payment in nonconvertible Indian currency. "Try to match that," says Chris Smith, defense and disarmament researcher at Britain's University of Sussex. While the deal earned Moscow no hard currency, it cemented relations with

Shonna Valeska/Visions

Professor Stephanie Neuman of Columbia University
Arms sales are "a dandy business."

Russia's friends in New Delhi. If India could not pay in hard cash, it could pay in denouncing the U.S. in the United Nations.

The Soviets can drive a hard bargain. In exchange for helping Ethiopia crush rebellions in Eritrea and successfully counter neighboring Somalia's attempts to "liberate" Ethiopia's Ogaden province in the late 1970s, the Soviets reportedly demanded and received part of Ethiopia's coffee production, the impoverished country's principal foreign exchange earner. While Ethiopian children starve, the Marxist government picks up the tab for Russian advisers and has paid some $2 billion in Soviet arms through the coffee barter. Western diplomats based in Addis Ababa point to 1978, when Ethiopia's rulers reportedly bartered $63 million worth of coffee for East German trucks that proved unsuitable for the rugged Ethiopian terrain, tractors that sputtered and some spare parts.

Another African state whose people are chronically malnourished, Mozambique, traded away valuable fishing rights to Moscow in exchange for weapons.

India gets special treatment—not out of sentiment but because the Soviets cannot issue direct orders to an Indian government. One incentive the U.S.S.R. offers its best customers is license production, an arrangement that allows them to manufacture Russian-patented goods under certain guidelines. During 1985 and 1986, the Indians were considering a French offer for additional Mirage 2000s for their air force. Moscow countered with a deal to supply some 45 copies of its latest fighter jet, the MIG-29—and an agreement to allow India eventually to manufacture the sophisticated plane at a Hindustan Aeronautics plant, which already assembles MIG-21s. The Soviet decision was unique because Moscow hadn't yet sold the MIG-29 to anyone else.

That deal set a precedent: Britain will allow India to assemble locally 47 Jaguar fighters. Say this for the Indians: They demand a stiff price for the political support they give the Soviets on the international scene. ■

The arms bazaar: a Third World shopping list

Rising debt? Deteriorating economies? Never mind. Developing countries still have an insatiable thirst for weapons and ammunition. Never mind, too, that much of their purchases are for show.

Light weapons

9mm pistols	
Hungarian P87, Walther P88	$100 to $600

Light machine guns	
Kalashnikov AK-47 (U.S.S.R.)	$150
American M-16	$650
Austrian AUG, Belgian FN FAL	
RPD, RPK (U.S.S.R. or East Bloc)	$900 to $1,400
M-60 (U.S.), MG1 (West Germany)	
GPMG (U.K.-Belgium)	$2,500 to $3,500

Heavy machine guns	
50 caliber, HBM-2 (U.S.)	$5,500 to $8,500
GPU 14.5mm (U S.S.R.)	$2,500 to $3,500

Light antitank weapons (LAW):

M-72, M-16a2 (U.S.)	
RPG7, RPG18 (U.S.S.R.)	$1,500 to $2,000

Medium weapons

150mm	$900,000
Bofors 155mm howitzer	$2 million

Aircraft

Hawk trainer (U.K.)	$8 million
Tornado (U.K.)	$20 million
F-16 (U.S.)	over $13 million

Photos: left, Interarms; right, top to bottom, Jane's Defence Weekly; Richard Bockle/Stockphotos Inc.; Arnold Meisner Photography

for appetite suppression. And health food stores sell an Oros system dispensing vitamin C. (The system is impractical for insulin, however, since dosages are too difficult to control as needed.)

Inhalants, however, may one day finally provide diabetics with freedom from syringes or even Power Patches. California Biotechnology of Mountain View, Calif. now has such an inhalant in the developmental stage. Diabetics would still have to monitor their blood sugar levels to know when they require insulin, but they could get the drug into the bloodstream quickly and painlessly with an inhaler. The company expects to see the inhalant on the market by 1992, and it is also developing inhalers for birth control, appetite suppression and growth hormone release.

The beauty of inhalants is not just ease of use, according to John Longenecker, vice president of development at Cal Bio. It can also improve the body's ability to make use of the drug being delivered.—**Francesca Lunzer**

Letting the headhunters know

Broadcasting a résumé to a battalion of headhunters is an awfully tempting way for the newly beached to begin a job search. Would that you could simply push a button and have your *vita* instantly in the mails to all the nation's major recruiters. Well, now you can.

Custom Databanks has devised a computer program called the Executive Search System, which contains a database of up to some 1,400 recruiters. It allows you to print personal cover letters, envelopes and mailing labels yourself, without going to costly word processing services. Then you simply slip your résumés and letters into the addressed envelopes, mail and pray. The database can be broken down by region (city or state), by specific industry or job category, by minimum salary, by assignments each firm accepts, even by whether the search firm works on a contingency (fee) or retainer basis. (Those working on retainer usually have the higher-paying positions.)

The two-diskette system requires at least 320K of capacity in your computer. It is tailored for computer novices, however, and even the computer-illiterate should be able to use the system on a friend's personal computer. Cost is $50. Write to Custom Databanks, Inc., 127 East 59th St., New York, N.Y. 10022.

If you're computer-shy, you can buy 2,542 preaddressed labels from the *Directory of Executive Recruiters*, Templeton Road, Fitzwilliam, N.H. 03447. Covered are some 1,600 headhunters, including local offices. Cost is $160. If you want labels for the 1,170 headhunters working on retainer, the fee is $75. But anyone trying to turn headhunters' heads should have a copy of the directory, not only for addresses but for names and phone numbers of key recruiters. The fee: $24.95 prepaid, $28.95 mailed.—**W.G.F.**

Tracking prices in the global gallery

THERE'S NO TELLING where the collecting bug—the passion to own beautiful things—will strike next. Affluence, education, the search for status . . . all manner of forces are at work here.

The surest sign is the astonishing amount of fine art now being bought and sold every year. The combined value of works of art annually sold worldwide by Sotheby's and Christie's, the two largest auction houses, now exceeds $2 billion, up sixfold from around $330 million a decade ago. It's not just inflation. Prices of beautiful things—paintings, sculpture, *objets*—have risen by a factor of four over the same period.

The action is global and, thanks to the growing role of the auction houses, increasingly visible. With that in mind, FORBES introduces in this issue a new feature—Sotheby's Art Market Trends. It is intended to help FORBES readers follow the action in prices in the art market generally and prices of specific kinds of artwork particularly. Having monitored the art market closely for years, Sotheby's has built a formal price index to measure the swings in prices in 13 major sectors of the art market. It does not predict prices. It won't tell you whether a particular work is "worth" the asking price. But it provides, easily and clearly, historic perspective on where prices are at the moment.

The indexes will be updated monthly. Accompanying the tables will be comments highlighting transactions of note and other events affecting the market.

A word about how the index is constructed. Just as the familiar Consumer Price Index maintained by the Bureau of Labor Statistics notes price changes for a fixed "basket" of goods, Sotheby's uses a range of artworks in its index. Thirteen kinds of artwork are tracked individually. These sectors constitute the major part of the artworks sold at auction around the world. Jewelry is excluded because prices are influenced by the value of metals and gems. The purpose of the

Drawing room of Tyninghame House, East Lothian, Scotland
Continuing strength in the furniture sector.

index, remember, is to signal changing values of works of art as such.

Sotheby's consulted numerous experts to create a basket of objects for each sector represented. For English silver, as a case in point, authorities were asked to make a representative selection of objects regularly appearing at auction—17th- and 18th-century candlesticks and trays, for example—and a selection of examples by important craftsmen working in the medium. A total of 48 pieces were selected for this sector.

The objects included in each sector were deliberately selected from the middle range of the market. Examples of the most expensive items were excluded because they appear in salesrooms so infrequently, making them unrepresentative of their sector. Similarly, objects from the low end of the range were left out because of their limited interest to serious collectors.

Each sector is constantly reviewed, and values are revised in light of action at major salesrooms around the world—not at Sotheby's alone. Values may be reviewed, too, when an important exhibition is staged or a major scholarly work is published.

When a revaluation is made, the value of each constituent item is reassessed in the light of prevailing market conditions. The total value of items in the category is then calculated and compared with the corresponding figure in the base year (1975).

Finally, each sector in the index is weighted to produce an overall "aggregate" index number. The weights represent the estimated long-term contribution of each sector to sales in the art market as a whole.

Weighting the sectors in this fashion is rather like the weighting that goes into Standard & Poor's index of 500 stocks. But the resemblance ends there. S&P prices are set in the stock market alone, but valuation of the art index, as noted, takes into account other factors such as the overall market climate for particular works.

That understood, FORBES hopes readers will find Sotheby's Art Market Trends interesting and, if they venture into the art market, useful. ■

Sotheby's art market trends

Index sectors	Sept 1987	One month ago	One year ago	Two years ago	Five years ago	One month % change	One year % change	Two year % change	Five years	
									% change	average annual % change
Old Master paintings	349	349	303	289	199	nil	+15.2	+20.8	+75.4	+11.9
19th C. European paintings	303	303	250	249	183	nil	+21.2	+21.7	+65.6	+10.6
Impressionist & Post-impressionist art	661	661	432	371	255	nil	+53.0	+78.2	+159.2	+21.0
Modern paintings (1900-1950)	666	666	429	342	245	nil	+55.2	+94.7	+171.8	+22.1
Contemporary art (1945 onward)	597	597	542	488	333	nil	+10.1	+22.3	+79.3	+12.4
American paintings (1800-pre-WWII)	789	789	687	635	459	nil	+14.8	+24.3	+71.9	+11.4
Continental ceramics	320	320	290	284	266	nil	+10.3	+12.7	–20.3	+ 3.8
Chinese ceramics	550	550	486	486	460	nil	+13.2	+13.2	+19.6	+ 3.6
English silver	349	349	338	298	183	nil	+ 3.3	+17.1	+90.7	+13.8
Continental silver	201	201	192	178	134	nil	+ 4.7	+12.9	+50.0	+ 8.4
American furniture	452	452	380	324	213	nil	+18.9	+39.5	+112.2	+16.2
French & Continental furniture	319	319	285	273	234	nil	+11.9	+16.8	+36.3	+ 6.4
English furniture	594	594	447	382	263	nil	+32.9	+55.5	+125.9	+17.7
Aggregate index*	475	475	369	336	251	nil	+28.7	+41.4	+89.2	+13.6

Basis: 1975 = 100 ($).

*Contemporary art was added to the Art Index in September 1987. The aggregate index excludes this category prior to that date.

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Monthly highlights

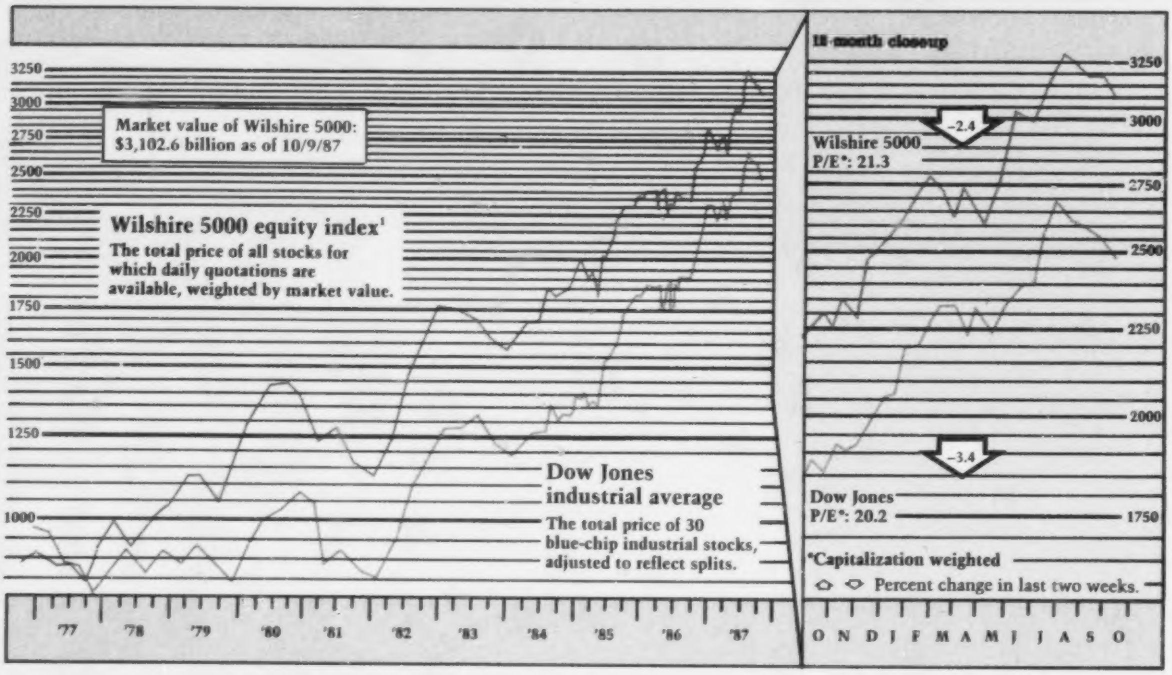
The 1987-88 art market season "officially" began in September but, as usual, business activity won't move into full gear for several weeks. English furniture and French and Continental furniture are the only mainstream market sectors to have been tested. A routine auction of French and Continental furniture in New York was in line with expectations. In the U.K. the contents of two country houses were sold—Tyninghame in Scotland and Orchardleigh Park in Somerset, England.

House sales almost always produce good results; the sense of occasion often encourages buyers to bid more actively than they might in the auctioneers' salesrooms. Indeed, at Tyninghame an English private buyer paid a top price of over $179,000 for a mid-18th-century Dutch marquetry French-style commode, over three times the top estimate. The sale as a whole brought over $6 million, almost twice the advance estimate. The Orchardleigh Park sale also produced a good pointer to the present state of the market. A mixed selection of furniture, Old Masters and other works realized a total of about $2.3 million, with only 1% remaining unsold.

Because of the special nature of house sales, their results have to be discounted to a certain extent. Nevertheless, the success of the two houses, following the healthy performance of the furniture market last season, suggests continuing strength in this sector.

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Letting off steam. The Dow's 92-point fall Oct. 6 gave the average its worst week in history, a drop of 159 points. The Dow is now off 240 points, or 8.8%, from its alltime peak on Aug. 25. In the same period, the overall market as measured by the Wilshire index lost $220 billion in capitalization. What did investors cash in? Mostly blue chips and primary issues. Since Aug. 26, when it peaked, the Nasdaq lost 3.7%, less than half the decline in the Dow. In the last two weeks the Nasdaq lost 0.8%, vs. 3.4% for the Dow.

The P/E ratio (based on latest 12-month earnings) for the Wilshire index fell to 21.3, whereas the Dow P/E is now 20.2. While rising interest rates were blamed for much of the heavy selling, the truth is that many investors were just converting some of their paper profits into real profits. Even after the latest declines, the Wilshire index shows a gain of 26.5%, or $644 billion, since the start of the year. The Dow, meanwhile, is up 30.9%, and the NYSE gained 26% over that period.

Closeup On the Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	–2.9	–2.6	–4.9	–3.0	–2.3	–1.7
in last 52 weeks	28.4	31.2	38.4	28.7	31.0	24.0

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	–2.3	–0.6	–1.4	–1.1	–1.9	–1.6	–1.0	–0.9	–2.5	–0.7	–1.6	–2.7
in last 52 weeks	28.9	50.4	71.3	22.3	31.9	17.4	9.7	66.6	67.8	20.0	26.9	43.0

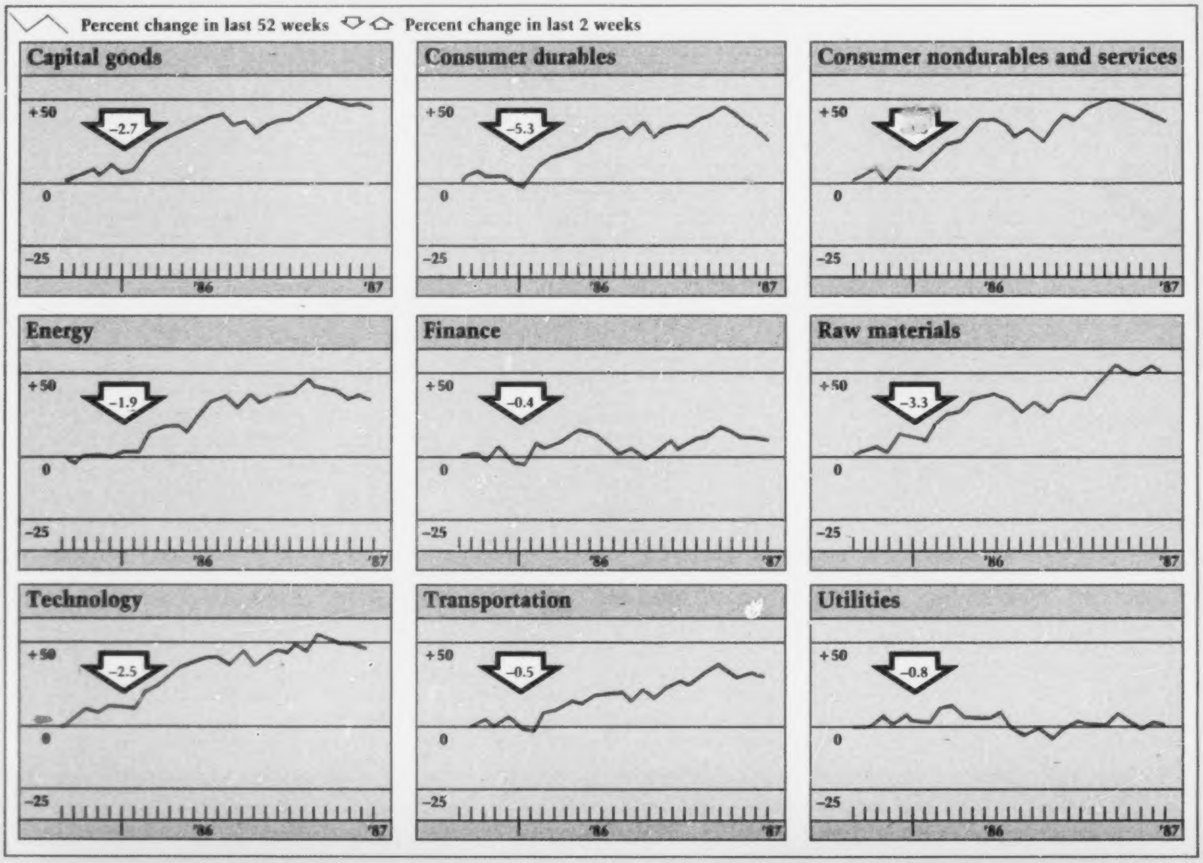
[1] Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2] Based on sales. [3] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 10/9/87. Prepared by Wilshire Associates, Santa Monica, Calif.

Gav French

Where the Action Is

The market's sharp fall over the last ten trading days resulted in losses for all nine Wilshire sectors. The worst performer was consumer durables, which dropped more than twice as far as the overall market. General Motors, Zenith Electronics and Arvin Industries all fell over 11%. Four other groups lost more than the market: consumer nondurables, raw materials, capital goods and technology. The finance sector fell only 0.4%. Alexander & Alexander went up 13%, while CNA Financial and Salomon gained more than 7%. Salomon was boosted by Warren Buffett's new interest in the company and a counteroffer for Salomon shares from Ronald Perelman. The whiff of takeover prompted restructuring moves that should make the company more profitable.



What the Analysts Think

Transportation companies are behind schedule. Wall Street analysts lowered their 1987 forecasts for some airlines, railroads and trucking firms. Estimates were recently cut by 4% or more for CNW, NWA, Arkansas Best, AMR and PS Group, an aircraft leasing firm. In contrast, the forecast for Metro Airlines was raised sharply.

Forecasting the Forbes Sales 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.29	20.4
1987 estimates	2.90	16.0
1988 estimates	3.77	12.4

Rank based on change in estimate	Sector	Estimated 1987 EPS	Estimated 1987 P/E	% change in 1987 estimate in 2 weeks	% change in 1987 estimate in 4 weeks
1	Capital goods	$2.09	21.5	0.09%	0.21%
2	Energy	2.48	18.0	-0.04	0.00
3	Raw materials	2.32	17.6	-0.09	0.23
4	Consumer nondurables	2.32	17.6	-0.13	-0.30
5	Utilities	2.37	10.8	-0.13	-0.12
6	Consumer durables	4.26	13.9	-0.13	-0.51
7	Technology	2.47	18.0	-0.48	-0.75
8	Finance	1.72	19.3	-0.83	-1.94
9	Transportation	2.21	18.2	-2.26	-3.76

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continually by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 10/9/87. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

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NOVEMBER 16, 1987
THREE DOLLARS FIFTY CENTS

Forbes

GUESS VS. JORDACHE
SEX, VIOLENCE AND THE IRS

POST-CRASH INVESTMENT STRATEGIES

PICKING UP THE PIECES

Bargains among the 200 best small companies.

1929? or 1962? by Malcolm S. Forbes Jr.

Mutual funds that bucked the downtrend.

What next? Five Forbes columnists look ahead.

How The Forbes Four Hundred fared.

Is the market cheap?

Forbes

PICKING UP THE PIECES

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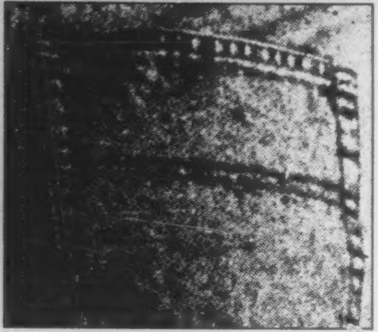

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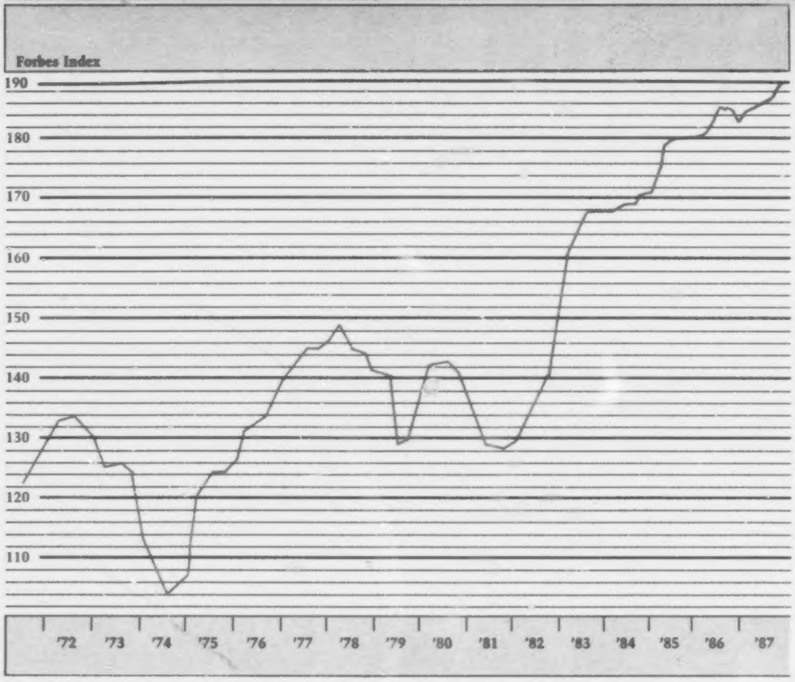
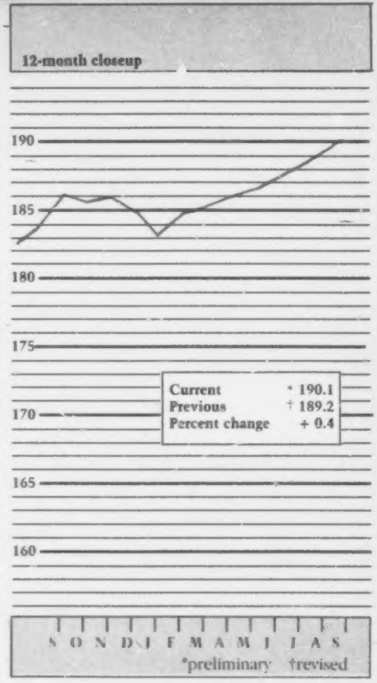
The Forbes Index





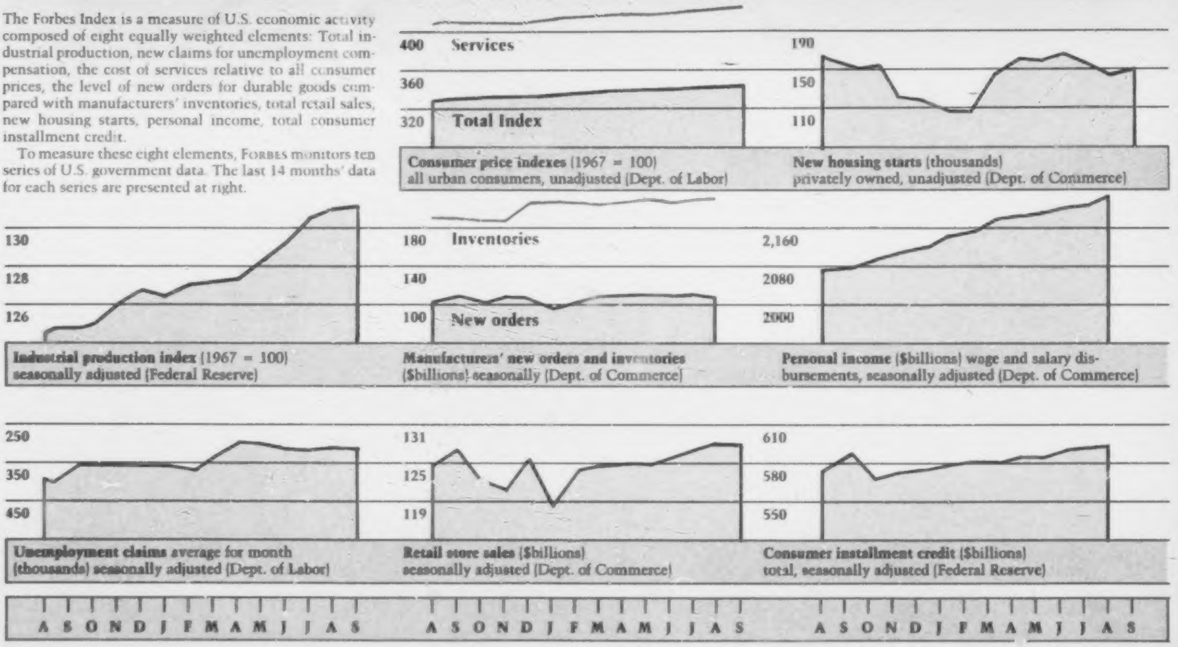
The economy, at least, hasn't crashed. For the eighth consecutive month industrial production posted an increase. But a 0.2% rise in September and a gain of 3.6% for the first nine months of this year have not made a large enough dent in the trade deficit, despite the weaker dollar. Wall Street's violent reaction to the trade and federal deficits threatens the current economic expansion. Retail sales fell for the first time in four months, with a 0.4% setback in September, and the trailing 12-month total for new housing starts decreased 0.2%.

The overall economy doesn't look bad. New unemployment claims fell 3% for the six months ending in September. Strength in the job market coupled with the gain in industrial production pushed up the Forbes Index 0.4%.

The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



Picking up the Pieces

Where was the Forbes *honor roll when the lights went out? Alas, fully invested for the most part.*

Which funds lost the least?

By Laura R. Walbert

The mutual funds that do the best in bull markets tend to do the worst in bear markets. That simple verity is at the core of the Forbes fund-rating system, which assigns separate grades for up markets and down markets. The theory is that—since markets go up as well as down—the wise long-term investor wants a fund that can do well in both kinds of markets.

How well did the system hold up? Passably well, although scarcely any stock funds escaped the recent crash. We measured the performance of the 271 rated open-end stock funds for which complete data were available for the first three weeks of October—that is, from the close Sept. 30 to the close Oct. 21, the Wednesday after Black Monday. In that three-week period the market, as measured by the S&P 500 average, was off a shade less than 20% (with dividends reinvested).

The ten funds that were rated A+ for down market performance in the annual fund survey *(Sept. 7)* averaged a decline of only 12.3%. Performance was progressively worse for each lower grade. Funds rated A in down markets averaged a 16.3% decline, well ahead of the market. Those rated F declined an average 21.9%.

How about the honor roll? There were 18 open-end funds that made this list in the recent survey. To get on, a fund had to earn a B or better in both up markets and down markets, while showing a high overall performance since 1976. Average performance for the honor roll: a so-so –20.2% from Sept. 30 to Oct. 21. Exactly half the honor rollers beat the market.

The honor roll

Performance[1] UP	DOWN	Fund	Total return 9/30–10/21
B	B	Acorn Fund	–18.4%
B	A	Amcap Fund	–17.9
B	A+	American Capital Pace Fund	–23.7
A	B	Evergreen Fund	–17.7
A	A	Fidelity Destiny Portfolio I	–22.1
A+	A	Fidelity Magellan Fund	–22.0
A	A	Growth Fund of America	–19.3
A	B	Mass Capital Development Fund	–23.8
A	B	New England Growth Fund	–27.9
B	A+	Nicholas Fund	–13.2
B	A	Over-the-Counter Securities Fund[2]	–13.3
B	A	Pennsylvania Mutual Fund	–13.6
A	B	Shearson Appreciation Fund	–17.4
B	B	Sigma Venture Shares	–24.0
A	B	Tudor Fund	–24.3
A+	B	Twentieth Century Select Investors[2]	–22.9
B	B	United Vanguard Fund	–19.2
B	A	Value Line Leveraged Growth Inv	–23.1
		Average	–20.2

[1] Ratings for 9/30/76 to 6/30/87. [2] Source: fund. *Source: NASD*

Funds that had been nervously sitting on cash for months were suddenly vindicated. Nicholas Fund, an honor roll fund with 27% of assets in cash at the end of September, did the best, down 13%. Pennsylvania Mutual was close behind with 30% cash and a 14% decline.

Among the underperformers: Fidelity's famed Magellan Fund. Tudor Fund, with a heavy position in cyclical stocks, lost 24% when economic worries pushed cyclical stocks down even further than most.

No one saw the 508-point drop coming. But Ralph Wanger, manager of Acorn Fund, down 18%, sees some comfort in the speed and severity of the debacle. "If you're going to have your leg amputated, taking it off an inch a day is no improvement," he says.

But there was a lot of pain all the same. Binkley Shorts, manager of the Over-the-Counter Securities Fund, down 13%, says, "I thought the 100-point drop on Friday was very healthy. I felt good and thought this would be a fine week." Pennsylvania Mutual manager Charles Royce, with $700 million under management, bought $25 million worth of stock between Monday and Wednesday. Wanger bought Stride-Rite and Cray Research. Says Wanger, "Cray was as high as 135 this year. I picked off some at 48. At 48 I'd sell my house and dog, lease out my wife and buy more Cray."

Actually, Monday was a fairly good day for Royce, Wanger and Shorts and the smallish companies they specialize in. The bears hadn't gotten around to the little stocks yet. "Monday I was gloating," says Shorts, "but Tuesday my market went to hell. It was sickening."

Shorts said he was appalled by the gaping spreads between bid and asked prices in the kind of stocks he buys. (Fund net asset values are calculated on bid prices.) Says Shorts, "Without an intermediary, it's difficult for buyers to find sellers. I would love to buy bushels of stocks at these prices, but I can't."

Nicholas bought May Department Stores and Humana at less than 10 times fiscal 1987 earnings (estimated in May's case). Melville Straus, the manager of Tudor Fund, bought high-quality, low-leverage stocks such as Squibb, K mart, Eastman Kodak and Disney. Straus is already worrying that he will live to regret his prudence. He says he'd have bought more if he had had the nerve for it: "Unless this is 1929, they gave corporate America away on Tuesday. We're going to look back and say, 'Where were we? Why weren't we buying?' " ■

How the largest stock funds fared

Results of the 90 largest FORBES-rated open-end stock funds in the recent crash.

Performance[1] UP	DOWN	Fund	Total return 9/30–10/21
B	B	Acorn Fund	–18.4%
B	C	Affiliated Fund	–17.8
C	D	Alliance Fund	–23.3
B	A	Amcap Fund	–17.9
C	A+	American Capital Comstock Fund	–25.6
A	D	American Capital Enterprise Fund	–22.8
B	A+	American Capital Pace Fund	–23.7
D	A	American Mutual Fund	–11.5
B	C	Boston Co Capital Appreciation Fund	–17.8
F	C	Colonial Strategic Income-Diversified	–15.3
C	A	Decatur Fund-Series I	–14.6
C	B	Delaware Fund	–22.8
D	B	Dreyfus Fund	–16.6
A	C	Dreyfus Growth Opportunity Fund	–19.7
B	B	Dreyfus Leverage Fund	–22.5
C	C	Energy Fund	–18.4
A	B	Evergreen Fund	–17.7
C	A	Evergreen Total Return Fund	–9.6
A	A	Fidelity Destiny Portfolio I	–22.1
C	A	Fidelity Equity-Income Fund	–14.4
C	C	Fidelity [illegible]	–21.5
A+	A	Fidelity [illegible]an Fund	–22.0
D	A	Fidelity Puri[illegible] Fund	–14.0
C	D	Fidelity Tre[illegible] Fund	–24.1
C	C	Financial Industrial Fund	–22.0
D	A	Financial Industrial Income Fund	–16.8
D	A+	Franklin Utilities Fund	–2.2
C	B	Fundamental Investors	–19.3
A	A	Growth Fund of America	–19.3
B	B	Guardian Mutual Fund	–18.5
B	D	IDS Equity Plus	–20.1
A+	C	IDS Growth Fund	–20.2
A	C	IDS New Dimensions Fund	–15.0
D	C	IDS Stock Fund	–16.7
C	B	Investment Company of America	–15.8
C	A	Janus Investment Fund	–13.6
F	A	Kemper Option Income Fund	–18.2
A	D	Keystone Custodian S-4	–26.5
C	C	Lehman Investors Fund	–19.2
B	C	Manhattan Fund	–23.2
A	B	Mass Capital Development Fund	–23.8
B	D	Mass Investors Growth Stock Fund	–21.9
C	D	Mass Investors Trust	–21.0
C	B	Merrill Lynch Basic Value Fund	–15.1
C	B	Merrill Lynch Capital Fund	–14.6
D	A	Merrill Lynch Pacific Fund	–21.6%
C	A	Mutual Qualified Income Fund	–15.8
C	A+	Mutual Shares Corp	–15.5
D	B	Nationwide Fund	–19.5
A	B	New England Growth Fund	–27.9
B	B	New Perspective Fund	–16.0
B	A+	Nicholas Fund	–13.2
C	B	Oppenheimer Equity Income Fund	–12.8
A+	D	Oppenheimer Global Fund	–17.6
C	B	Oppenheimer Special Fund	–13.3
B	A	Partners Fund	–15.6
C	C	Pioneer Fund	–20.1
B	A	Pioneer II	–22.0
C	D	T Rowe Price Growth Stock Fund	–20.5
A	C	T Rowe Price International Stock Fund	–15.4
B	D	T Rowe Price New Horizons Fund	–23.4
D	A	Putnam Convertible Income-Growth	–16.8
C	B	Putnam Fund for Growth & Income	–17.8
C	B	Putnam International Equities Fund	–16.1
B	D	Putnam Investors Fund	–20.2
D	B	Putnam Option Income Trust	–20.8
A	C	Putnam Voyager Fund	–22.1
B	C	Scudder Capital Growth Fund	–23.3
B	D	Scudder Growth & Income Fund	–16.0
C	B	Scudder International Fund	–11.9
B	C	Seligman Common Stock Fund	–17.8
B	D	Seligman Growth Fund	–21.7
C	A	Sentinel Common Stock Fund	–17.1
D	A+	Sequoia Fund	–10.1
A	B	Shearson Appreciation Fund	–17.4
D	A	Smith Barney-Income & Growth	–13.9
B	C	State Street Investment Corp	–19.7
A	D	Technology Fund	–23.0
C	A	Templeton Growth Fund	–16.7
C	B	Templeton World Fund	–17.0
A+	B	Twentieth Century Select Investors	–22.9[2]
C	C	United Accumulative Fund	–15.6
C	B	United Income Fund	–12.4
A	C	United Services-Gold Shares Fund	–7.4
B	B	United Vanguard Fund	–19.2
B	A	Value Line Leveraged Growth Inv	–23.1
B	D	Vanguard Index Trust	–19.7
C	A	Vanguard Windsor Fund	–12.7
B	C	Vanguard WL Morgan Growth Fund	–21.3
C	A	Washington Mutual Investors	–15.3

[1] Ratings for 9/30/76 to 6/30/87. [2] Source: fund.

Source: NASD

Picking up the Pieces

Think you got clobbered? How'd you like to lose a hundred million in a few days? Members of The Forbes Four Hundred did.

The rich got poorer

By Peter Newcomb

If you're still tabulating your paper losses, cheer up. You could be one of Forbes' 400 richest people in America (Forbes, *Oct. 26*).

Below, the 120 of The Forbes Four Hundred whose fortunes derive primarily from public companies. Some got off lightly. Seattle's Bill Gates went in with $1.25 billion in Microsoft stock. On Oct. 23 it was worth $1.06 billion. The McCaw brothers, also from Seattle, were less fortunate. They owned $1.26 billion in McCaw Cellular stock in September. Recently it was worth $650 million. Rupert Murdoch took it in the neck. His News Corp. shares sank $730 million.

To make The Forbes Four Hundred list this year required a minimum net worth of $225 million. After the plunge, 38 of the people below—including Irwin Jacobs and Lew Wasserman—couldn't make the list.

Anybody who watches TV or reads newspapers knows that Wal-Mart's Sam Walton was down $2.6 billion on paper between the time we closed the books on The Forbes Four Hundred on Sept. 15 and Oct. 23. But he's still the richest man in the U.S.

Ross Perot is an old hand at taking paper losses. A few years back he was down $1 billion when his EDS stock dropped. This time he lost hardly a dime. When GM's Roger Smith decided to buy out Perot's stock last year, Perot took cash. GM has taken a pounding; Perot still has his cash. Moral: You can't get rich sitting on cash, but you can stay rich that way. ■

		Net worth (millions)			%	
Name	**Hometown**	**Sept. 15**	**Oct. 19**	**Oct. 23**	**dropped***	**Source of wealth**
Albertson, Joseph	Boise	$365	$144	$146	–60%	Albertson's
Alexander, Norman	Scarsdale, NY	315	246	223	–29	Sun Chemical
Allen, Paul	Bellevue, WA	640	503	535	–16	Microsoft
Andreas, Dwayne	Bal Harbour, FL	230	164	179	–22	Soybeans
Arison, Ted	Miami Beach	1,800	1,056	1,083	–40	Cruise ships, banking
Bainum, Stewart Sr	Silver Spring, MD	250	199	202	–19	Manor Care, real estate
Bancroft, Christopher	Denton, TX	225	126	144	–36	Inheritance (Dow Jones)
Bancroft, Hugh III	Newport Beach	225	126	144	–36	Inheritance (Dow Jones)
Bennett, William	Las Vegas	325	228	236	–27	Circus Circus Enterprises
Bernhard, Arnold	Westport, CT	390	440	386	–1	Value Line
Berrie, Russell	Englewood, NJ	420	315	265	–37	Teddy bears
Blaustein, Morton	Baltimore	500	415	460	–8	Inheritance (oil)
Bronfman, Edgar	NYC	1,800	1,516	1,481	–18	Seagram Co
Buffett, Warren	Omaha	2,100	1,679	1,730	–18	Stock market
Busch, August Jr	St. Louis	1,300	943	1,095	–16	Anheuser-Busch
Colket, Tristram Jr	Paoli, PA	240	180	194	–19	Inheritance (Campbell Soup)
Comer, Gary	Chicago	350	229	239	–32	Lands' End
Cook, Jane	Cohasset, MA	900	502	574	–36	Inheritance (Dow Jones)
Cotsen, Lloyd	Los Angeles	265	242	198	–25	Neutrogena
Cox, William Jr	London	450	251	287	–36	Inheritance (Dow Jones)

*Percent change from Sept. 15 to Oct. 23.

Picking up the Pieces

Name	Hometown	Net worth (millions) Sept. 15	Oct. 19	Oct. 23	% dropped*	Source of wealth
Danner, Raymond	Nashville	$225	$175	$170	–25%	Shoney's
Disney, Roy	Los Angeles	560	440	459	–18	Walt Disney Co
Dolan, Charles	Oyster Bay, NY	550	454	404	–26	Cable television
Dorrance, John Jr	Gladwyne, PA	1,300	1,093	1,175	–10	Inheritance (Campbell Soup)
Ellison, Lawrence	Atherton, CA	245	235	192	–22	Oracle Corp
Fickling, William	Macon	345	299	293	–15	Charter Medical
Fireman, Paul	Newton, MA	435	274	266	–39	Reebok
Fisher, Donald	San Francisco	575	216	189	–67	The Gap
Ford, Josephine	Grosse Pointe, MI	475	316	339	–29	Inheritance (Ford Motor Co)
Ford, William	Grosse Pointe, MI	900	645	682	–24	Inheritance (Ford Motor Co)
Frankino, Samuel	Palm Beach	350	244	211	–40	Agency Rent-A-Car
Furst, Austin Jr	New Canaan, CT	230	175	187	–19	Vestron
Galvin, Robert	Barrington Hills, IL	600	474	390	–35	Motorola
Gates, William III	Seattle	1,250	996	1,059	–15	Microsoft
Gottwald, Bruce	Richmond, VA	310	230	190	–39	Ethyl Corp
Gottwald, Floyd Jr	Richmond, VA	310	230	190	–39	Ethyl Corp
Graham, Katharine	Washington, D.C.	875	486	606	–31	Washington Post Co
Greenberg, Maurice	NYC	300	232	248	–17	American International Group
Hamilton, Dorrance	Strafford, PA	290	246	264	–9	Inheritance (Campbell Soup)
Heinz, Henry III	Fox Chapel, PA	380	273	289	–24	HJ Heinz Co
Hess, Leon	NYC	625	329	349	–44	Amerada Hess
Hewlett, William	Portola Valley, CA	1,450	1,082	1,024	–29	Hewlett-Packard
Icahn, Carl	Westchester Co, NY	525	227	212	–60	Financier
Jacobs, Irwin	Minneapolis	250	183	171	–32	Arbitrage, investments
Kauffman, Ewing	Mission Hills, KS	1,300	759	906	–30	Marion Laboratories
Kavadas, Kathryn	Wabun, MA	225	126	144	–36	Inheritance (Dow Jones)
Kelly, William	Troy, MI	490	282	264	–46	Kelly Services
Kerkorian, Kirk	Los Angeles	950	616	575	–39	Investments
Klink, Bettina	Los Angeles	225	126	144	–36	Inheritance (Dow Jones)
Knight, James	Bal Harbour, FL	335	255	236	–29	Knight-Ridder Newspapers
Knight, Philip	Hillsboro, OR	345	267	251	–27	Nike
Krehbiel, John Sr	Downers Grove, IL	335	280	239	–29	Molex
Kroc, Joan	La Jolla, CA	1,000	622	759	–24	Inheritance (McDonald's)
MacElree, Jane	Newtown Sq, MA	450	251	287	–36	Inheritance (Dow Jones)
Magness, Bob	Englewood, CO	740	290	290	–61	Cable TV
Mandel, Jack	Shaker Heights, OH	240	229	214	–11	Premier Industrial Corp
Mandel, Joseph	Lyndhurst, OH	240	221	207	–14	Premier Industrial Corp
Mandel, Morton	Shaker Heights, OH	240	231	216	–10	Premier Industrial Corp
Manoogian, Alex	Grosse Pointe, MI	250	292	307	23	Masco
Manoogian, Richard	Grosse Pointe, MI	530	590	583	10	Masco
Markkula, Armas Jr	Woodside, CA	470	325	317	–32	Apple Computer
Marriott, Alice	Washington, D.C.	350	269	283	–19	Inheritance (Marriott)
Marriott, John Jr	Washington, D.C.	350	269	283	–19	Inheritance (Marriott)
Marriott, Richard	Washington, D.C.	350	269	283	–19	Inheritance (Marriott)
McCaw, Bruce	Seattle	315	213	163	–48	McCaw Communications
McCaw, Craig	Seattle	315	213	163	–48	McCaw Communications
McCaw, John Jr	Seattle	315	213	163	–48	McCaw Communications
McCaw, Keith	Seattle	315	213	163	–48	McCaw Communications
Milstein, Monroe	Burlington, NJ	250	183	172	–31	Burlington Coat Factory
Mitchell, George	Houston	470	347	325	–31	Oil, real estate

*Percent change from Sept. 15 to Oct. 23.

Picking up the Pieces

Name	Hometown	Net worth (millions) Sept. 15	Oct. 19	Oct. 23	% dropped*	Source of wealth
Moody, Robert	Galveston	$500	$466	$417	–17%	American National Insurance
Moore, Gordon	Santa Clara Co CA	465	359	284	–39	Intel Corp
Murdoch, Rupert	NYC	2,100	1,367	1,119	–47	Publishing
Naify, Marshall	San Francisco	500	161	161	–68	Movie theaters, cable TV
Naify, Robert	San Francisco	500	161	161	–68	Movie theaters, cable TV
Nielsen, Arthur Jr	Winnetka, IL	315	232	241	–24	AC Nielsen Co
Olsen, Kenneth	Lincoln, MA	490	334	326	–33	Digital Equipment Corp
Ottaway, James Sr	Campbell Hall, NY	255	146	167	–35	Newspapers
Packard, David	Los Altos Hills, CA	2,870	2,072	1,959	–32	Hewlett-Packard
Paley, William	NYC	450	345	358	–21	CBS
Park, Roy	Ithaca, NY	550	427	377	–31	Park Communications
Paxson, Lowell	Clearwater, FL	385	197	164	–58	Home Shopping Network
Pennington, William	Reno	325	228	236	–27	Circus Circus Enterprises
Perenchio, Andrew	Bel Air, CA	400	333	366	–9	Television
Petrie, Milton	NYC	1,300	969	955	–27	Petrie Stores
Pontikes, Kenneth	Barrington, IL	295	155	138	–53	Computer equipment
Price, Sol	La Jolla, CA	325	233	222	–32	The Price Co
Rosenberg, Ruth	Baltimore	250	207	230	–8	Inheritance (oil)
Ryan, Patrick	Chicago	230	194	191	–17	Insurance
Simmons, Harold	North Dallas	1,150	972	996	–13	Investments
Singleton, Henry	Los Angeles	615	483	451	–27	Teledyne
Skaggs, Leonard Jr	Salt Lake City	480	303	374	–22	American Stores
Smith, Frederick	Memphis	295	259	232	–21	Federal Express Corp
Smith, Richard	Chestnut Hill, MA	500	343	299	–40	General Cinema Corp
Speer, Roy	Clearwater, FL	600	308	256	–57	Home Shopping Network
Spiegel, Abraham	Beverly Hills	300	201	228	–24	Columbia Savings & Loan
Steinberg, Saul	NYC	660	445	445	–33	Financier
Sulzberger, Arthur	NYC	440	268	286	–35	New York Times
Sulzberger, Iphigene	NYC	440	268	286	–35	New York Times
Syms, Sy	Lyndhurst, NJ	240	173	160	–33	Syms Corp
Terra, Daniel	Chicago	245	221	213	–13	Lawter International
Thalheimer, Louis	Baltimore	250	207	230	–8	Inheritance (oil)
Thorne, Oakleigh	Millbrook, NY	530	472	382	–28	Commerce Clearing House
Tisch, Laurence	NYC	1,000	876	845	–16	Loews Corp
Tisch, Preston	NYC	1,000	876	845	–16	Loews Corp
Tramiel, Jack	Zephyr Cove, NV	375	257	227	–39	Atari
Turner, Ted III	Roswell, GA	465	452	447	–4	Turner Broadcasting System
Tyson, Barbara	Fayetteville, AR	325	248	248	–24	Tyson Foods
Tyson, Donald	Springdale, AR	400	309	309	–23	Tyson Foods
Ueltschi, Albert	Greenwich, CT	300	246	227	–24	FlightSafety International
von Platen, Ruth	San Marino, CA	300	205	224	–25	Times Mirror Co
Walton, James	Bentonville, AR	400	139	141	–65	Wal-Mart Stores
Walton, Sam	Bentonville, AR	8,500	5,820	5,902	–31	Wal-Mart Stores
Wang, An	Lincoln, MA	725	582	488	–33	Wang Laboratories
Wasserman, Lewis	Beverly Hills	325	202	199	–39	MCA
Weis, Robert	Sunbury, PA	510	426	426	–16	Weis Markets
Weis, Sigfried	Lewisburg, PA	620	517	517	–17	Weis Markets
Wexner, Bella	Columbus, OH	365	196	187	–49	The Limited
Wexner, Leslie	Columbus, OH	2,100	1,106	1,054	–50	The Limited
Wrigley, William	Lake Geneva, WI	345	253	303	–12	Wrigley's

*Percent change from Sept. 15 to Oct. 23.

The Funds

Sometimes it's easier to make money selling advice than following it. Witness some of the disappointments for newsletter writers turned portfolio managers.

Reader beware

By Ruth Simon

About 6,000 people pay retired Air Force intelligence officer R. Max Bowser $39 per year for the *Bowser Report*, a newsletter tracking stocks that sell for $3 or less. Emboldened by the letter's success, Bowser, now 71, turned his investment approach into the Bowser Growth Fund, which went public in 1984 at $3 per share.

Bowser Shrink Fund would be a better name for it. Its net assets per share were recently $1.61. Even before the big crash, it wasn't keeping up. The fund had the fourth-worst record of the 950 funds tracked by Lipper Analytical Services during 1986, losing 22.9% of its value at a time when the S&P climbed 18.6%. "It seems like we are always apologizing," a demoralized Bowser wrote shareholders this year in response to their sharp criticism and unsigned postcards.

Bowser's record may be poorer than most, but he's hardly the only newsletter writer to try his hand at money management. At least a dozen investment writers have moved or are on their way into fund management, most in the past 1½ years. Their prominence may attract investors, but it hardly guarantees investment success.

One of the first writers to enter the fund business was Arnold Bernhard. His *Value Line Investment Survey* is probably the best-known market letter, with 120,000 readers. He started the Value Line Fund in 1950, and his firm now manages $2.5 billion in mutual funds. One of the funds, Value Line Leveraged Growth, is on the Forbes honor roll, but the fund that tracks the Value Line survey's recommendations most closely, Value Line Centurion, hasn't kept up with the market in recent years.

Another early advice giver turned manager was Edson Gould, whose successful *Findings & Forecasts* letter sparked the Edson Gould Fund in 1976. But Gould was near the end of his career when the fund opened—he died this year at 85—and the fund faded. Now called the Greenway Fund, it showed only $20 million in assets and a mediocre performance in Forbes' last fund survey *(Sept. 7)*.

Charles Allmon, who started his Growth Stock Outlook Trust in 1986, has been putting out a newsletter for 23 years. But the field is rife with less experienced stock watchers. Glenn Cutler, a former computer operator, has written his *Market Mania* letter from the living room of a home atop California's San Andreas fault for the past four

John Segal

Paper money

Market letter publishers who attract a lot of subscribers can often succeed as well at drawing investors into a mutual fund. But their prominence does not guarantee skill in handling real money.

Fund	Date started	Portfolio manager	Investment letter	Fund assets[1] ($mil)	Net asset value initial	Net asset value recent[2]
Bench Blue Chip Portfolio[3]	2/21/86	Nachman Bench	Bench Investment Letter	$14.9	$10.00	$10.98
Bowser Growth Fund	4/9/84	R. Max Bowser	Bowser Report	3.4	3.00	1.61
Ehrenkrantz Growth Fund[3]	3/2/87	Louis Ehrenkrantz	Ehrenkrantz Letter	2.0	4.98	4.40
Growth Stock Outlook Trust[4]	3/6/86	Charles Allmon	Growth Stock Outlook	139.9	10.00	9.57
Perritt Capital Growth Fund	—[6]	Gerald Perritt	Investment Horizons	—	—	—
Primary Trend Fund	9/15/86	James Arnold	Primary Trend	31.3	10.00	10.10
Prudent Speculator Leveraged Fund	6/29/87	Al Frank	Prudent Speculator	0.1	10.00	7.02
Shadow Stock Fund	9/10/87	James Cloonan	AAII Journal	—[5]	10.00	7.55
Value Line Fund[3]	3/14/50	Arnold Bernhard	Value Line Investment Survey	255.9	4.98	13.81
Zweig Fund[4]	10/2/86	Martin Zweig	Zweig Forecast	370.0	9.35	9.35

[1] As of 6/30/87. [2] As of 10/20/87. [3] Sponsor offers more than one portfolio. [4] Closed-end fund. [5] Fund began operation after 6/30/87. [6] In registration.

years. Cutler is teaming up with newsletter writer Mark Leibovit and portfolio manager Jack Phelan to form PCL DiversiFund, a closed-end. They were in the midst of an underwriting when the Oct. 19 market crash forced them to back off for a while.

The letter writers branch into fund management because the grass looks greener there. "Most stock market letters have not done well in gaining subscribers," says Norman Fosback, who publishes five investment letters. That may be, he speculates, because individual investors have funneled money into mutual funds and not the individual stocks and bonds most letter writers track. Some have even lost subscribers. "I'm a little off the peak," admits Cutler, who has seen subscriptions to his $92-per-year letter fall 13%, to 1,000 this year.

Moreover, money management requires no previous experience and little extra work. "There really isn't much need to spend time on the fund. The analysis is already done," says Mark Leibovit, whose *Volume Reversal Survey* tracks the movement of institutional portfolios. Both letter and fund will receive the same recommendations, Leibovit adds, and it's somewhat arbitrary which one gets ideas first. Value Line forbids its fund managers to act on recommendations before subscribers receive them.

Experienced or not, a letter writer's prominence can certainly give his fund a marketing edge. "Maybe 50% of our subscribers bought the fund," says Allmon, who raised $144 million last year for his closed-end Growth Stock Outlook Trust. "A lot of former subscribers, too."

For Allmon, the rewards have been sizable. He earned an advisory fee of $694,000 for the first half of the year from the GSO Trust, which requires a fraction of his energies. Veteran forecaster Martin Zweig fared even better. Zweig earned $930,000 in the first half of this year for lending his name and techniques to the $320 million closed-end Zweig Fund.

Both of these fellows may well be picking up new subscribers, even if the stock market letter business as a whole is lousy. That is because their bearish funds had well-publicized heavy cash positions before the 508-point crash. Indeed, the day after Black Monday, Allmon's fund was down 6.4% from its high.

But, as the SEC boilerplate goes, past results are no guarantee of future results. Al Frank's *Prudent Speculator* has been the top-ranked newsletter monitored by the *Hulbert Financial Digest*, outperforming the S&P 500 over the past seven-year period (ended June 30), 32% a year to 20%. But it did that with a fair degree of leverage and will no doubt suffer severely in October, says Mark Hulbert, the *Digest*'s editor. Shortly before the crash, Frank said, "I'm absolutely depressed. I missed the selloff." His Prudent Speculator Leveraged Fund has $7.02 in net assets per share, down from an initial offering price in June of $10. ■

Buy Bolivia, short Brazil

About 16,000 readers pay $118 a year for the monthly *Strategic Investment*, started in 1984 by National Taxpayers Union Chairman James Davidson and former London *Times* editor Sir William Rees-Mogg. This oddball tip sheet mixes newsbriefs on Afghan missiles and trouble in Bangladesh with recommendations to buy warrants in the Union Bank of Finland and short the Swiss franc.

That global perspective may make *Strategic Investment* an interesting read, but its investment advice is nearly impossible for most small investors to implement. "I've got a pot of letters saying your stuff is great, but it's not of any value to me," admits the Oxford-trained Davidson. "[For] the guy out in a cow town, it's a big pain to buy the Union Bank of Finland."

Davidson and Rees-Mogg's response has been to start the Cross-Market Opportunity Fund, available to readers of *Strategic Investment* without its standard $100 sales fee. The fund, which awaits Securities & Exchange Commission approval, hopes among other things to short Latin American debt—if the managers can only figure out how—and invest in oil futures. "I think we can raise a few hundred million," Davidson says.

"Last December we recommended Bolivian government debt at 7 cents on the dollar. Now it's up to 15 cents," Davidson boasts. The investment letter, he says, also correctly anticipated coups in Nigeria and Sudan. If only there were puts on Sudan. . . . —R.S.

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List of opportunity?

Illustrations by Phil Huling

The market values of this year's class of FORBES' *200 best small companies in America took a bloody pounding in the market panic. Worse may yet be in store. But beneath the Wall Street turmoil still beat dozens of very sound businesses.*

By Peter Newcomb

"JUST AS MANY people were quite willing in the boom, not only to value shares on the basis of a single year's earnings but also to assume that increases in earnings would continue geometrically, so now they are ready to estimate capital values on today's earnings and to assume that decreases will continue geometrically."

So wrote John Maynard Keynes, the economist and one of the century's most successful investors, in February of 1931. Around the world, stock market valuations had crumbled. No one believed that they would ever recover. Keynes, the great contrarian, was strung out on margin—and about to make a fortune *(see* FORBES, *Sept. 26, 1983).*

Does opportunity now knock in the following ranking of Forbes' 200 best small companies in America? Certainly not with the force it knocked with in 1931: The current cycle, recently so manic, has yet to turn thoroughly depressive.

That said, however, market beatings usually offer opportunities, and these companies took a severe beating. On Oct. 12 the 200 as a group had an aggregate market value of $46.4 billion. Seven days later, at the close of business on Bloody Monday, Oct. 19, the group was worth $32.3 billion—a 30% plunge for what is arguably the cream of American corporate assets. On Wednesday, Oct. 21 (the day we priced the tables beginning on page 200), the group's value recovered, but only to $35.5 billion. At that price, the group was selling at 13.6 times latest 12-month earnings.

Are they worth more? It is impossible to say which way the market will go in the weeks ahead. Most likely it will go many ways. But it is hard to deny that the past performance (never a guarantee of future success) of these companies has been impressive. To make the list, a company had to have a minimum five-year average return on equity of 11.1%, as defined by William O'Neil & Co., which supplies our raw statistical data. For the latest 12 months profitability had to be 10% or better. Companies whose earnings over the past five years fell more than 75% from one year to the following were dropped. Long-term debt had to be less than equity. We also required an average annual gain in earnings per share of at least 10% over the past five years, and a five-year average annual sales growth of 10% or better. These are bare minimums; most companies did far better. We excluded banks, electric utilities and real estate investment trusts, companies with less than five years of earnings history and those whose earnings were less than $1 million during the latest 12 months, or whose stock price was less than $2.

For many of these companies, the precipitous plunges in market valuations were probably warranted, simply given the high valuations to which they rapidly rose. Telerate, for example. The market value of this financial information network, which is 56% owned by Dow Jones & Co., fell more than any other of the 200 best small companies during the selling wave. Telerate's market value rose from $792 million early last year to $2.3 billion just before the fall—and fell to $633 million on Bloody Monday. It recovered two days later to $757 million, about 20 times last year's earnings.

Television game show producer Barris Industries, another highflier on the list, tripled in value over the last two years. So it is not altogether weird that Barris gave back nearly all that gain in the sell-off.

Unless the economy is headed for depression, the prospects for many of the 200 companies remain good. Most have strong niches; few have lost their entrepreneurial verve. Many are still run by their founders or cofounders; several more are run by the founders' offspring.

The market panic has not changed their basic businesses. Consider St. Louis' Sigma-Aldrich Corp., a fine little manufacturer and mail-order supplier of biochemicals and other organic and inorganic materials that has appeared among the 200 best small companies five times (this year it is ranked 75th and is a member of our small company honor roll). Sigma-Aldrich has established itself as the L.L. Bean of the research world; over 35% of Sigma's orders come from overseas. It lost 35% of its market value; that wiped a half-million dollars off the value of Chief Executive Tom Cori's personal stock in the company. But Cori isn't worried and says his business plan remains intact.

"We developed a plan of action some 15 years ago that we were going to be a service-driven company," says Cori. He stuck with that plan while his competitors strayed into other areas, says Cori, adding that he has no intention of straying. "The rules for running a good mail-order business apply to us."

James Conte, president of honor roll member Community Psychiatric Centers, is another who is keeping his eye on his basic business, not on the stock quotation pages or on diversification. "We see a lot of other companies get involved in anything that says health care on it," says Conte. "We've stayed with what we've been succesful at: acute psychiatric care and dialysis treatment. In the health care business, acquisitions are tough. In most cases you buy other people's problems. If they were doing well, they wouldn't have sold them, or they would have asked a price that was more than we paid."

Conte, too, lost a bundle—over $3.7

million—on his Community Psychiatric stock. But he isn't going to let that change the way he'll run the company.

Ranked 69th among the best 200 small companies is Safety-Kleen. It specializes in mechanical parts cleaning services and hazardous waste removal, by common consent a growth industry. Last year Safety-Kleen tied the corporate record for the number of consecutive years (16) in which earnings growth exceeded 20%. President Donald Brinckman is confident that Safety-Kleen will break the record this year. If so, he will beat a restaurant outfit that survived many market fluctuations: McDonald's.

While the chief executives of many of Forbes' 200 best small companies express strong aversion to diversification, they also cite the need to remain flexible. Electromagnetic Sciences is a maker of electronic microwave components and does a lot of government contract work. Says Electromagnetic Vice President Bill Evans: "We feel that because of our flexibility we can be more responsive to changes in the environment and, consequently, more opportunistic." Electromagnetic's sales have grown at an average rate of about 35% a year over the last five years—though Evans is the first to admit this growth rate will be tough to sustain.

New York-based Dreyfus Corp., the mutual fund house, joins the small company honor roll this year. Just before the market drop, Dreyfus Chairman Howard Stein said Dreyfus uses a different approach in its investing: "Public enthusiasm generally evolves at the peak of markets, and we've tried to be more cautious at such times." How did Dreyfus' funds do in the aftermath of the sell-off? (For more on mutual funds, see cover stories.)

These rankings include several new features. Of special note is the directory of chief executives of the 200 best small companies, with details of their educational backgrounds, compensation arrangements and ownership in their companies. The directory begins on page 220.

Also worth noting are the earnings estimates for 1988. These come courtesy of the Institutional Brokers Estimate System, a service of New York brokerage firm Lynch, Jones & Ryan. The estimates must be taken with the standard grain of salt. This is the more true given the way analysts are hastily scaling back their estimates as the market falls.

Would Lord Keynes be a buyer at these prices? We have no idea. But if intelligent investing in small companies is your thing, this annual list is a good place from which to start your research. ■

The best of the best

This is the Forbes small company honor roll. To make it, a company needed to earn at least 15% on equity during the latest 12 months and average at least 15% over the past five years. It also had to appear on our annual 200 best small companies list at least four times in the past five years. How have these top little companies been as investments? Pretty good. Even after the market plunge, a $15,000 investment spread evenly across the group five years ago would today be worth over $56,000. (Our prices are as of Oct. 21.)

Company	Years on 200 best list	Return on equity		5-year		Recent price	Value of $1,000 invested 10/18/82	Chief executive
		5-year average	latest 12 months	sales growth	earnings growth			
Arnold Industries	4	21.0%	22.7%	16.0%	27.0%	33	$4,924	Edward H Arnold
Bolar Pharmaceutical	5	18.3	20.9	29.0	23.0	33	3,085	Robert Schulman
Community Psychiatric Centers	5	19.1	21.4	20.0	23.0	33	2,105	James W Conte
Dreyfus	4	26.2	18.6	18.0	17.0	24	4,535	Howard Stein
Electromagnetic Sciences	4	17.1	20.7	34.0	33.0	14	2,282	John E Pippin
Hunt Manufacturing	4	16.4	22.0	15.0	16.0	29	2,762	Ronald J Naples
Napco Security Systems	4	28.1	31.8	31.0	61.0	9	6,060	Richard Soloway
Neutrogena	4	32.9	53.3	27.0	41.0	45	10,778	Lloyd E Cotsen
Pansophic Systems	5	15.8	15.5	27.0	25.0	19	2,349	David J Eskra
Pioneer Group	5	31.8	31.2	34.0	23.0	17	1,675	John F Cogan Jr
SafeCard Services	5	24.5	65.3	22.0	51.0	9	2,871	Steven J Halmos
Safety-Kleen	4	21.3	23.4	15.0	20.0	33	4,987	Donald W Brinckman
Sigma-Aldrich	5	20.7	24.1	17.0	20.0	36	3,203	Tom Cori
Stryker	5	17.3	19.0	22.0	21.0	20	2,727	John W Brown
Teleflex	5	16.1	17.9	18.0	15.0	25	2,062	Lennox K Black
Total							$56,405	

Source: William O'Neil & Co.; Forbes

The 200 Best Small Companies in America

Rank			Return on equity			Latest 12 mos					Latest 12 mos			
this year	last year	Company/business	5-year average	latest 12 months	5-year EPS growth rate	sales (mil)	profits (mil)	Debt/ equity	Recent stock price	Market value (mil)	EPS	P/E	Est 1988 EPS	Book value/ share
1	2	**Value Line** financial publishing	70.8%	46.5%	16.0%	$72.7	$17.04	0%	23	$223.7	$1.71	13.2	NA	$3.68
2	5	**Seaman Furniture** furniture stores	62.5	72.7	38.0	230.7	15.24	22	18	241.7	1.13	15.7	$1.80	1.54
3	■	**Franklin Resources** fund management	60.9	104.2	107.0	200.7	55.00	13	17	460.6	2.07	8.3	2.96	1.98
4	■	**Canonie Environmental Svcs** hazardous waste mgmt svcs	58.3	47.6	67.0	34.0	5.04	0	22	118.3	0.92	23.4	1.45	1.92
5	■	**PCS** prescription claims process	54.3	65.0	41.0	59.6	8.67	0	27	391.5	0.60	45.0	1.03	0.92
6	■	**Intl Dairy Queen Cl A** fast-food restaurants	54.0	49.0	29.0	204.7	14.20	96	24	230.5	1.47	16.2	NA	2.99
7	■	**Vanguard Technol Intl** computer services	47.8	100.8	65.0	47.4	2.73	13	10	34.4	0.78	13.0	1.17	0.80
8	7	**King World Productions** distr & synd of TV progs	45.0	67.9	118.0	222.0	29.78	0	21	628.0	0.97	21.4	1.99	1.45
9	■	**ABI Am Businessphones** telecommunications equip	44.6	19.8	51.0	27.1	1.11	4	10	16.1	0.67	14.6	NA	3.39
10	■	**Morino Associates** software	39.2	25.5	72.0	33.3	6.19	0	14	133.7	0.61	22.1	0.79	2.46
11	■	**Strober Organization** professional bldg supply ctrs	38.5	25.9	68.0	96.6	5.37	8	9	53.2	0.95	9.2	1.20	3.41
12	■	**PAM Transportation Svcs** trucking	37.9	18.3	82.0	54.4	3.40	67	9	40.6	0.75	11.7	1.18	4.00
13	■	**Trans World Music** record & video stores	36.7	29.9	95.0	151.6	7.94	16	20	180.0	0.91	22.0	1.58	2.95
14	■	**Dryclean USA** dry cleaning stores	36.4	18.7	42.0	16.8	1.97	0	13	35.1	0.82	15.2	NA	3.76
15	■	**Anitec Image Technology** photo equipment	35.3	34.6	29.0	137.7	16.49	9	17	184.8	1.47	11.6	1.73	4.38
16	22	**ClothesTime** women's apparel stores	35.0	38.6	77.0	178.1	13.42	0	8	107.7	0.94	8.2	1.46	2.50
17	■	**Heartland Express** trucking	34.9	32.5	24.0	22.5	3.07	0	8	41.3	0.62	13.3	0.84	1.89
18	■	**T Rowe Price Assocs** mutual fund invest svcs	34.7	41.6	32.0	124.0	17.07	4	29	205.4	2.31	12.4	3.21	5.74
19	■	**Group 1 Software** computer software	34.5	107.4	57.0	9.4	1.47	2	10	31.4	0.47	20.2	NA	0.41
20	■	**Traditional Inds** photographic equip & svcs	33.8	98.1	34.0	35.8	3.10	3	9	21.5	1.34	6.7	NA	1.32

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The 200 best small companies in America have a median 5-year average return on equity of 17.4% and a median 12-month return on equity of 20.7%. The Bloody Monday market panic wiped out over $14 billion of the group's aggregate market value.

The 200 Best Small Companies in America

Rank			Return on equity		5-year	Latest 12 mos					Latest 12 mos		Est	Book
this year	last year	Company/business	5-year average	latest 12 months	EPS growth rate	sales (mil)	profits (mil)	Debt/ equity	Recent stock price	Market value (mil)	EPS	P/E	1988 EPS	value/ share
21	■	**Barr Labs** generic pharmaceuticals	33.6%	31.9%	40.0%	$60.1	$4.01	45%	9	$68.0	$0.64	$14.1	NA	$1.67
22	8	**Chief Automotive Sys** auto frame repair equip	33.4	24.8	44.0	40.0	7.61	10	8	62.4	0.89	8.4	$1.28	3.69
23	24	**Neutrogena** cosmetics	32.9	53.3	41.0	125.9	14.08	0	45	620.1	0.96	46.9	1.38	1.92
24	6	**Thor Industries** motor homes	32.4	30.3	22.0	165.2	7.36	0	16	79.3	1.46	10.8	1.77	4.83
25	■	**Durakon Industries** automotive equip	32.3	17.2	85.0	93.3	5.06	28	10	63.5	0.82	12.3	1.10	4.69
26	■	**Diceon Electronics** electronics	32.2	26.5	51.0	95.1	8.63	3	31	181.1	1.46	21.4	2.25	5.63
27	■	**Inmac** mail-order computer prods	31.8	52.3	37.0	165.4	7.74	1	17	146.7	0.86	19.2	1.11	1.66
28	18	**Pioneer Group** mutual fund management	31.8	31.2	23.0	59.8	11.40	0	17	103.0	1.85	9.1	2.60	5.95
29	29	**Oshkosh B'Gosh Cl A** children's apparel	31.7	37.4	38.0	219.9	24.06	12	54	390.2	3.30	16.2	NA	8.83
30	■	**American List** student mailing lists	31.6	27.0	21.0	5.2	1.61	0	9	25.0	0.58	15.5	NA	2.14
31	■	**Ashton-Tate** computer software	31.3	30.8	86.0	244.4	37.73	4	21	504.4	1.52	13.7	1.99	5.04
32	43	**Dress Barn** women's apparel stores	29.8	49.3	70.0	173.7	12.91	0	9	188.6	0.58	14.7	0.80	1.18
33	21	**Russ Berrie & Co** gift items	29.7	26.8	40.0	252.7	33.45	4	30	442.2	2.24	13.2	3.04	8.34
34	■	**Merry-Go-Round Enterprises** women's apparel stores	29.1	24.0	17.0	227.8	8.40	9	9	85.8	0.88	10.2	1.30	3.67
35	28	**Juno Lighting** lighting fixtures	28.6	30.3	37.0	49.2	8.92	19	14	130.4	0.97	14.7	1.23	3.21
36	42	**Napco Security Systems** protective alarm equip	28.1	31.8	61.0	27.6	3.38	37	9	38.1	0.77	11.4	0.98	2.44
37	■	**Bush Inds Cl A** ready-to-assemble furniture	27.9	34.0	48.0	83.8	4.31	92	19	56.3	1.44	13.0	NA	4.23
38	32	**Deb Shops** women's apparel stores	27.4	26.7	25.0	195.6	13.45	4	12	174.5	0.89	12.9	1.25	3.32
39	16	**Intertrans** freight forwarding	27.3	18.3	53.0	93.2	2.73	0	6	25.7	0.55	10.0	0.68	3.19
40	31	**JB Hunt Transportation Svcs** trucking	26.8	25.6	49.0	242.4	25.29	39	19	435.5	1.07	17.3	1.45	4.20
41	■	**Alloy Computer Products** computer equipment	26.7	17.1	32.0	44.6	2.77	0	7	31.0	0.60	11.3	0.99	3.52
42	59	**Nuclear Support Services** svcs to nuclear electric utils	26.4	30.6	23.0	32.2	2.45	1	10	20.0	1.19	8.4	NA	4.02
43	25	**Dreyfus** fund management	26.2	18.6	17.0	265.1	90.35	0	24	1,014.1	2.11	11.4	2.81	11.52
44	■	**Par Pharmaceutical** drugs	26.2	30.2	55.0	70.8	9.56	33	19	205.5	0.86	21.7	1.18	2.87
45	■	**Technalysis** computer & technical svcs	26.0	28.9	13.0	14.3	1.19	0	9	14.3	0.73	12.0	1.00	2.52

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The 200 Best Small Companies in America

Rank this year	Rank last year	Company/business	Return on equity 5-year average	Return on equity latest 12 months	5-year EPS growth rate	Latest 12 mos sales (mil)	Latest 12 mos profits (mil)	Debt/ equity	Recent stock price	Market value (mil)	Latest 12 mos EPS	Latest 12 mos P/E	Est 1988 EPS	Book value/ share
46	■	**Heico** health care & aerospace eq	25.9%	46.0%	59.0%	$49.5	$8.27	68%	22	$46.5	$4.16	5.4	$3.85	$8.65
47	■	**Hovnanian Enterprises** home building	25.8	33.3	52.0	303.0	22.90	70	11	228.5	1.08	10.0	1.65	3.24
48	■	**J&J Snack Foods** snack foods	25.7	18.8	60.0	36.1	2.33	54	16	46.7	0.81	19.8	1.25	4.25
49	■	**Stanline** building materials	25.4	28.5	56.0	62.9	1.84	21	9	14.4	1.11	7.7	1.38	3.81
50	■	**Boston Acoustics** audio speaker systems	25.3	22.9	55.0	15.0	1.57	0	7	13.4	0.86	7.8	NA	3.46
51	50	**New England Business Svc** business forms	25.0	27.7	18.0	188.4	19.13	9	19	329.9	1.12	17.2	1.29	4.03
52	60	**Versa Technologies** rubber and fluid power prods	24.9	29.0	25.0	41.9	4.59	9	18	68.4	1.19	14.9	1.75	4.10
53	55	**SafeCard Services** credit card services	24.5	65.3	51.0	110.2	30.72	0	9	281.9	0.94	9.2	1.59	1.44
54	45	**Cherokee Group** women's apparel & footwear	24.3	36.6	52.0	131.2	9.75	4	9	124.6	0.80	11.7	1.20	2.01
55	■	**Chili's** restaurants	24.1	16.9	19.0	177.3	6.49	28	23	130.4	1.11	20.8	1.65	6.83

Retailing accounts for more of these companies—29 in all—than any other industry. In second place is the computer industry, with 21 businesses on the list.

Rank this year	Rank last year	Company/business	Return on equity 5-year average	Return on equity latest 12 months	5-year EPS growth rate	Latest 12 mos sales (mil)	Latest 12 mos profits (mil)	Debt/ equity	Recent stock price	Market value (mil)	Latest 12 mos EPS	Latest 12 mos P/E	Est 1988 EPS	Book value/ share
56	33	**CPI Corp** portrait studios, photo finish	23.7	21.7	19.0	270.9	20.34	0	15	244.0	1.23	12.0	1.73	5.67
57	38	**Quick & Reilly Group** discount brokerage	23.6	31.1	24.0	95.3	17.19	5	14	132.7	1.81	7.7	2.45	5.83
58	36	**Paychex** payroll accounting svcs	23.4	22.7	43.0	66.9	5.45	10	21	180.6	0.64	32.8	1.19	2.79
59	■	**Atlantic Southeast Air** regional airline	23.2	15.8	52.0	103.9	12.16	52	10	130.2	0.92	10.6	1.28	5.77
60	40	**MacNeal-Schwendler** computer aided eng software	22.8	37.2	35.0	30.7	7.92	0	17	204.2	0.65	25.8	0.96	1.75
61	26	**Telerate** security price database	22.8	34.5	32.0	280.7	56.78	0	16	756.8	1.24	12.9	1.96	3.48
62	64	**John H Harland** check printing	22.5	24.7	19.0	278.3	39.93	0	21	732.8	1.16	18.3	1.50	4.69
63	■	**Syms** retail clothing stores	22.5	24.8	20.0	235.0	16.46	9	10	180.9	0.93	11.0	1.08	3.75
64	■	**Uniforce Temp Personnel** temporary office personnel	22.4	37.2	80.0	66.4	2.09	1	10	41.0	0.45	21.1	0.61	1.30
65	30	**Duquesne Systems** computer software	22.1	18.9	57.0	34.9	7.43	0	13	133.3	0.70	18.6	0.99	3.83

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The 200 Best Small Companies in America

—Rank—			Return on equity		5-year	Latest 12 mos						Latest 12 mos		Est	Book
this year	last year	Company/business	5-year average	latest 12 months	EPS growth rate	sales (mil)	profits (mil)	Debt/ equity	Recent stock price	Market value (mil)		EPS	P/E	1988 EPS	value/ share
66	67	**Eaton Vance** mutual fund adviser & dist	22.1%	34.4%	36.0%	$47.2	$10.96	50%	17	$74.2		$2.60	6.6	NA	$7.40
67	■	**CEM** precision instruments	22.0	13.3	30.0	9.8	1.25	0	14	30.9		0.56	24.6	$0.76	4.19
68	106	**Dresher** brass beds & accessories	21.9	27.1	52.0	44.5	2.80	0	9	40.4		0.62	14.5	0.77	2.30
69	■	**Safety-Kleen** parts cleaning svcs	21.3	24.9	21.0	308.1	34.21	7	33	1,073.2		1.04	31.7	NA	4.23
70	■	**Armor All Products** auto cleaners, protectants	21.2	28.5	30.0	110.0	18.32	0	16	329.2		0.88	17.9	1.34	3.08
71	83	**Arnold Industries** trucking	21.0	22.7	27.0	100.5	10.35	9	33	137.0		2.46	13.2	NA	10.80
72	71	**Microsemi** semiconductors	21.0	16.9	62.0	42.7	5.64	20	8	70.9		0.62	12.5	0.85	3.65
73	46	**Andover Controls** building automation sys	20.7	19.6	21.0	21.8	2.47	0	8	28.6		0.68	11.8	0.84	3.52
74	74	**General Physics** training svcs for utilities	20.7	23.6	12.0	96.8	4.77	0	15	50.2		1.33	10.9	1.80	5.85
75	91	**Sigma-Aldrich** specialty chemicals	20.7	24.1	20.0	277.5	37.56	10	36	873.8		1.53	23.2	2.08	6.32
76	44	**Fur Vault** retail fur stores	20.2	10.5	33.0	92.6	5.02	11	6	76.0		0.41	14.0	0.75	3.62
77	■	**Gantos** women's apparel stores	20.2	19.2	51.0	113.2	4.89	5	12	60.5		0.95	12.1	1.50	4.83
78	84	**Luby's Cafeterias** restaurants	20.2	21.5	15.0	232.9	23.66	4	23	426.2		1.30	18.0	1.66	6.03
79	■	**Welbilt** appliances	20.1	17.5	48.0	217.1	11.68	16	15	118.4		1.45	10.3	NA	8.38
80	■	**CareerCom** business schools	19.9	32.1	122.0	65.7	3.91	23	9	78.9		0.51	18.4	0.85	1.44
81	61	**CCX Network** marketing svcs	19.8	20.2	42.0	30.2	2.14	38	16	50.4		0.56	28.1	0.90	3.32
82	■	**Crawford & Co** insurance claims adj svcs	19.8	20.6	10.0	255.0	15.97	4	18	213.0		1.37	13.3	1.80	6.64
83	■	**Data Translation** computer equip	19.6	20.8	40.0	29.5	2.83	0	19	55.4		0.90	20.6	1.20	4.55
84	■	**Ero Industries** sporting goods	19.3	21.3	24.0	42.9	2.73	9	10	29.4		0.86	11.0	1.25	4.14
85	■	**Spec's Music** record & video stores	19.3	17.9	39.0	26.6	1.28	0	6	21.2		0.32	17.2	NA	1.86
86	68	**Entertainment Publications** discount coupon books	19.2	17.0	48.0	53.6	5.88	0	20	93.2		1.23	15.9	1.57	7.23
87	■	**Stockholder Sys Cl A** financial software	19.2	17.9	24.0	14.6	2.41	0	7	24.1		0.69	10.1	NA	3.92
88	94	**Community Psychiatric Ctrs** psych hospitals, dialysis ctrs	19.1	21.4	23.0	284.1	58.04	5	33	1,000.0		1.92	17.1	2.46	8.89
89	■	**P Leiner Nutritional Prods** vitamins, nutritnl suplmnts	19.0	17.9	12.0	73.5	3.55	0	10	35.1		1.02	9.9	1.40	5.71
90	■	**Republic American** casualty insurance	19.0	20.9	19.0	256.6	26.22	3	14	299.8		1.20	12.0	1.88	6.02

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The 200 Best Small Companies in America

Rank this year	Rank last year	Company/business	Return on equity 5-year average	Return on equity latest 12 months	5-year EPS growth rate	Latest 12 mos sales (mil)	Latest 12 mos profits (mil)	Debt/ equity	Recent stock price	Market value (mil)	Latest 12 mos EPS	Latest 12 mos P/E	Est 1988 EPS	Book value/ share
91	137	**Tootsie Roll Industries** candy	19.0%	20.3%	31.0%	$109.8	$13.08	0%	25	$219.7	$1.43	17.5	NA	$7.31
92	■	**La Petite Academy** preschool and daycare ctrs	18.7	18.7	33.0	118.1	9.00	87	16	258.6	0.57	28.7	$0.85	3.04
93	■	**QuesTech** engineering mgmt services	18.6	22.5	25.0	55.4	1.62	29	10	14.9	1.08	9.0	NA	4.73
94	79	**FlightSafety Intl** air & marine training	18.4	17.9	10.0	117.7	34.04	18	32	720.0	1.52	21.1	2.10	8.50
95	■	**Actmedia** advertising	18.3	14.5	81.0	81.4	6.15	0	15	178.5	0.52	29.3	0.98	3.62
96	98	**Bolar Pharmaceutical** drugs	18.3	20.9	23.0	61.9	11.02	0	33	317.6	1.14	28.5	3.35	5.39
97	82	**Diagnostic Prods** health care equip	18.3	20.7	22.0	32.9	7.81	0	26	150.6	1.28	19.9	1.86	6.38
98	■	**Technitrol** electronics & electric equip	17.9	20.2	23.0	38.3	4.29	6	22	43.3	2.13	10.1	NA	10.57
99	104	**Cintas** uniform sales and rentals	17.7	18.8	22.0	173.9	14.60	66	28	365.2	1.12	25.0	1.58	5.96
100	■	**Biocraft Labs** generic drugs	17.4	16.8	58.0	69.3	11.11	5	19	265.9	0.80	23.8	1.39	4.72

Of this year's 200 best small companies, 81 were on last year's list. Of the 119 that didn't return, 15 were acquired, at least 3 grew too much over our $315 million sales limit, and the rest weren't good enough.

Rank this year	Rank last year	Company/business	Return on equity 5-year average	Return on equity latest 12 months	5-year EPS growth rate	Latest 12 mos sales (mil)	Latest 12 mos profits (mil)	Debt/ equity	Recent stock price	Market value (mil)	Latest 12 mos EPS	Latest 12 mos P/E	Est 1988 EPS	Book value/ share
101	112	**Stryker** surgical and medical prods	17.3	19.0	21.0	130.6	11.37	7	20	311.5	0.74	27.0	1.00	3.83
102	■	**McClain Inds** waste-handling equip	17.2	24.2	34.0	25.5	1.39	23	8	12.8	0.66	12.5	NA	3.69
103	■	**Allied Security** security svcs	17.1	22.5	14.0	63.1	1.13	5	31	18.8	2.15	14.4	NA	8.27
104	■	**Daxor** sperm bank	17.1	23.8	61.0	6.4	3.36	0	7	35.2	0.62	10.7	NA	2.66
105	134	**Electromagnetic Sciences** microwave components	17.1	20.7	33.0	56.8	6.24	27	14	96.0	0.84	16.1	1.21	4.24
106	■	**Frontier Insurance Group** insurance	17.1	23.6	46.0	33.0	3.92	0	7	26.6	1.21	5.8	NA	4.38
107	■	**Sands Regent** casino hotel	17.1	14.0	23.0	27.4	3.63	24	10	31.4	1.10	8.6	1.13	7.83
108	■	**Dycom Inds** telecommunications svcs	17.0	32.6	55.0	66.6	2.97	56	9	36.1	0.75	11.7	0.85	2.21
109	183	**Herley Microwave Sys** microwave components	16.9	22.1	72.0	15.6	2.15	45	5	12.7	0.71	6.3	1.10	3.45
110	■	**QMS** computer p[illegible] & [illegible]	16.9	17.7	31.0	107.6	8.21	30	18	165.4	0.87	20.1	1.59	4.92

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The 200 Best Small Companies in America

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this year	last year	Company/business	5-year average	latest 12 months		sales (mil)	profits (mil)	Debt/ equity	Recent stock price	Market value (mil)	EPS	P/E		
111	127	**Cadmus Communications** printing and graphic arts	16.8%	19.5%	19.0%	$115.9	$5.33	47%	19	$109.9	$0.90	21.1	$1.19	$4.72
112	109	**Advanced Systems** educational training mtrls	16.7	21.7	18.0	70.9	9.38	72	25	142.5	1.53	16.5	1.74	7.66
113	■	**ARX** electronics	16.7	18.2	12.0	60.7	6.05	84	8	50.1	1.00	8.4	1.05	5.56
114	136	**Liqui-Box** packaging	16.6	38.3	32.0	71.3	6.27	9	35	78.5	2.68	12.9	NA	7.20
115	■	**George Banta** printing	16.5	14.0	12.0	299.1	16.56	32	19	221.6	1.42	13.5	1.82	10.20
116	118	**American Software Cl A** computer software	16.4	16.8	28.0	47.9	8.41	0	9	95.4	0.81	11.3	1.31	4.78
117	■	**Hunt Manufacturing** office supplies	16.4	22.0	16.0	144.8	11.92	26	29	205.6	1.74	16.7	2.01	7.63
118	■	**Adia Services** temporary office personnel	16.3	18.2	74.0	307.7	8.32	30	20	216.3	0.93	21.0	1.30	4.11
119	■	**Casey's General Stores** convenience stores	16.3	15.3	30.0	295.2	8.72	75	14	160.1	0.74	18.9	1.12	4.97
120	142	**New York Marine & Gen Ins** maritime insurance	16.3	21.9	40.0	69.0	13.31	0	15	125.8	1.54	9.4	1.91	7.00
121	■	**SAY Industries** packaging for oil prods	16.3	11.8	35.0	24.9	2.14	10	4	13.6	0.55	6.4	0.85	4.65
122	108	**Clayton Homes** manufactured housing	16.2	21.0	28.0	178.6	10.36	57	10	125.1	0.79	12.3	0.94	3.84
123	■	**Seaboard** food processing	16.2	19.9	48.0	306.0	23.73	46	84	125.0	15.92	5.3	NA	79.98
124	141	**Telxon** tele-transaction computers	16.2	24.0	34.0	105.8	13.14	1	17	220.6	0.97	17.5	1.57	4.21
125	■	**Blessings** plastic film, hlth care prods	16.1	16.1	18.0	70.9	5.68	38	24	78.6	1.74	13.9	NA	10.84
126	125	**Teleflex** auto, marine & aero cntrl eq	16.1	17.9	15.0	247.5	18.02	37	25	269.7	1.64	15.2	2.05	9.32
127	131	**Systematics** bank computer services	16.0	16.2	24.0	150.7	11.30	5	24	257.5	1.03	23.1	1.67	6.44
128	■	**RLI** contact lens insurance	15.9	26.1	36.0	101.4	12.87	14	10	61.1	2.09	4.7	3.05	7.96
129	■	**Fabric Wholesalers** fabric stores	15.8	16.5	12.0	52.4	2.14	15	9	23.2	0.80	10.8	1.02	4.82
130	119	**Pansophic Systems** software	15.8	15.5	25.0	127.4	17.11	1	19	331.9	0.96	19.3	1.44	6.14

■ Not on last year's list. NA: not available. Stock prices as of Oct. 21. *Sources: William O'Neil & Co.; Institutional Brokers Estimate System (IBES); Forbes*

This is a niche list of companies whose specialties range from sperm banking (Daxor Corp.) to selling of student mailing lists (American List) to portrait studios in Sears stores (CPI).

The 200 Best Small Companies in America

Rank this year	Rank last year	Company/business	Return on equity 5-year average	Return on equity latest 12 months	5-year EPS growth rate	Latest 12 mos sales (mil)	Latest 12 mos profits (mil)	Debt/ equity	Recent stock price	Market value (mil)	Latest 12 mos EPS	Latest 12 mos P/E	Est 1988 EPS	Book value/ share
131	145	**Sizzler Restaurants Intl** restaurants	15.8%	20.3%	18.0%	$254.7	$14.73	56%	14	$247.0	$0.85	16.8	$1.33	$4.19
132	130	**Dionex** chromatography sys	15.7	15.9	28.0	56.4	8.88	0	23	209.8	0.94	24.2	1.22	6.06
133	■	**Thermo Instrument Sys** cogeneratn sys, precisn inst	15.7	34.6	15.0	78.5	5.88	0	9	90.0	0.59	15.3	0.77	1.70
134	■	**Richardson Electronics** electronics	15.5	14.5	25.0	104.7	8.51	31	16	161.9	0.85	19.1	1.43	5.90
135	121	**Biomet** medical equip	15.3	14.9	66.0	59.5	9.12	0	19	226.9	0.76	24.7	1.19	5.06
136	100	**Medex** health care equip	15.3	15.1	10.0	23.2	2.10	11	8	28.1	0.56	13.4	0.65	3.73
137	122	**Ryan's Family Steak House** cafeteria-style restaurants	15.2	20.6	53.0	130.7	14.02	0	10	494.2	0.28	33.9	0.47	1.31
138	■	**Sippican** marine instrumentation sys	15.2	15.5	10.0	56.7	3.79	5	11	46.1	0.90	12.2	1.34	5.82
139	159	**Avemco** insurance	15.1	23.9	21.0	113.2	15.10	17	20	188.1	1.59	12.6	2.13	6.71
140	■	**Bowne & Co** financial printing	15.1	24.0	13.0	215.2	26.02	2	15	280.0	1.42	10.7	1.58	5.90
141	182	**Oil-Dri Corp of America** absorbent materials	15.1	20.7	44.0	59.7	5.66	22	15	81.2	1.02	14.7	1.23	5.06
142	■	**Crown Books** bookstores	14.9	11.0	31.0	162.6	5.37	12	11	59.1	0.97	11.6	NA	9.31
143	■	**Swift Energy** oil & gas explor & develop	14.8	37.8	25.0	8.2	2.50	0	11	42.3	0.63	16.9	NA	1.66
144	155	**UniFirst** uniform mfg, rental, sale	14.8	17.0	14.0	144.5	9.12	39	22	108.4	1.81	11.9	1.95	10.64
145	156	**Vishay Intertechnology** precision instruments	14.7	20.8	23.0	59.1	10.24	10	17	129.9	1.46	11.8	1.70	6.54
146	■	**Gerber Scientific** computer-aided design, mfg	14.6	14.2	43.0	231.3	22.82	8	17	438.5	0.88	19.2	1.37	6.20
147	■	**Milwaukee Insurance Group** insurance	14.6	29.8	36.0	44.6	5.62	0	11	34.4	2.03	5.5	2.35	6.16
148	■	**Nordson** industrial equip	14.6	27.5	17.0	200.1	22.47	15	29	298.6	2.14	13.6	2.58	7.94
149	140	**Digital Commun Assocs** computer networking equip	14.5	20.2	52.0	192.0	31.83	0	31	439.9	2.13	14.4	2.46	10.99
150	■	**Educational Computer** training simulators	14.5	17.8	16.0	38.1	3.72	38	10	45.8	0.79	12.7	0.94	4.57
151	135	**First Finl Management** computer svcs	14.5	18.5	38.0	94.0	7.25	90	23	243.4	0.89	25.8	1.35	3.71
152	■	**Regal-Beloit** tools	14.5	16.6	28.0	83.1	6.26	12	17	103.1	1.08	16.1	1.65	6.36
153	■	**Kenan Transport** trucking petrol & fertilizer	14.4	15.5	11.0	45.9	2.98	14	15	33.9	1.27	11.4	1.70	8.26
154	153	**Mentor** health care equip	14.3	16.2	47.0	34.4	4.55	2	8	88.8	0.40	19.4	0.65	2.45
155	■	**American Land Cruisers** sales & rental of RV equip	14.2	11.6	45.0	37.9	1.44	11	6	31.1	0.40	14.1	NA	2.24

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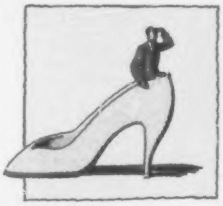
The 200 Best Small Companies in America

Rank this year	Rank last year	Company/business	Return on equity 5-year average	Return on equity latest 12 months	5-year EPS growth rate	Latest 12 mos sales (mil)	Latest 12 mos profits (mil)	Debt/ equity	Recent stock price	Market value (mil)	Latest 12 mos EPS	Latest 12 mos P/E	Est 1988 EPS	Book value/ share
156	168	**Sealed Air** packaging materials	14.2%	15.4%	28.0%	$217.4	$16.97	13%	38	$276.8	$2.33	16.3	$2.84	$15.15
157	143	**S&K Famous Brands** men's apparel stores	14.2	13.9	16.0	40.5	1.47	65	10	19.6	0.71	13.4	1.08	5.14
158	161	**Pancho's Mexican Buffet** Mexican restaurants	14.1	15.4	20.0	47.1	2.90	0	8	38.3	0.67	11.9	0.88	3.94
159	■	**RPM** protective coatings	14.0	13.4	10.0	290.5	15.87	64	19	254.0	1.15	16.1	1.59	8.61
160	■	**Eldon Industries** office equip	13.9	15.6	14.0	77.3	5.49	0	18	97.4	0.99	18.2	1.20	6.49
161	■	**Isco** precision instruments	13.8	12.7	11.0	25.4	2.22	4	13	43.1	0.65	19.6	0.85	5.17
162	180	**Pulaski Furniture** wooden furniture mfg	13.7	15.7	21.0	104.1	4.94	65	18	51.7	1.70	10.4	2.10	10.83
163	■	**Trus Joist** building materials	13.7	21.6	11.0	223.9	10.64	53	18	124.2	1.53	11.9	1.98	7.23
164	■	**Haverty Furniture** furniture stores	13.6	13.6	28.0	205.6	8.50	94	12	71.3	1.42	8.5	1.78	10.52
165	163	**Scan-Tron** optical character recog equip	13.6	18.0	21.0	28.7	3.43	59	10	43.3	0.79	13.0	0.94	4.50



Although only 1 of these companies has a woman in the chief executive's office (she is Anne Lieff, of Spec's Records), at least 10 have women in high managerial positions.

Rank this year	Rank last year	Company/business	Return on equity 5-year average	Return on equity latest 12 months	5-year EPS growth rate	Latest 12 mos sales (mil)	Latest 12 mos profits (mil)	Debt/ equity	Recent stock price	Market value (mil)	Latest 12 mos EPS	Latest 12 mos P/E	Est 1988 EPS	Book value/ share
166	■	**Tennant** floor care equip	13.6	15.3	11.0	157.7	9.18	6	24	127.0	1.72	14.0	2.08	11.32
167	■	**Simmons Airlines** regional airline	13.5	15.1	10.0	92.6	5.36	93	7	33.4	1.14	6.3	NA	7.55
168	■	**Optical Radiation** optical, electro-opt prods	13.4	10.4	32.0	100.7	9.13	16	17	133.0	1.11	15.1	NA	11.10
169	■	**Park Communications** broadcasting, publishing	13.4	13.5	13.0	142.8	15.73	22	31	420.9	1.15	26.5	1.60	8.47
170	■	**Policy Mgmt Sys** computer software	13.3	12.7	19.0	168.3	15.43	23	20	318.5	0.95	20.5	1.32	7.44
171	■	**Athey Products** sweepers, hauling equip	13.2	18.5	16.0	40.1	3.39	4	14	37.7	1.17	12.2	NA	6.92
172	■	**Raven Industries** recreation products	13.2	14.6	11.0	60.0	2.51	26	15	23.5	1.57	9.5	NA	10.87
173	■	**Park Electrochemical** electronics	13.1	13.6	20.0	112.6	6.37	5	15	79.3	1.23	12.5	1.91	9.07
174	■	**Quarex Inds** wholesale, retail meat prods	13.0	26.2	14.0	153.5	1.04	71	6	7.0	0.52	10.7	NA	3.17
175	■	**Heilig-Meyers** furniture stores	12.9	16.4	10.0	285.8	15.07	75	17	184.3	1.41	12.2	2.20	8.59

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The 200 Best Small Companies in America

—Rank—			Return on equity		5-year	Latest 12 mos					Latest 12 mos		Est	Book
this year	last year	Company/business	5-year average	latest 12 months	EPS growth rate	sales (mil)	profits (mil)	Debt/ equity	Recent stock price	Market value (mil)	EPS	P/E	1988 EPS	value/ share
176	■	**Inacomp Computer Centers** computer stores	12.9%	15.1%	13.0%	$187.8	$2.42	54%	7	$4.8	$0.45	15.6	$0.87	$23.24
177	■	**LIN Broadcasting** broadcasting	12.9	12.9	11.0	216.1	49.78	13	40	2,144.6	0.89	44.9	1.38	7.20
178	■	**Raymond James Financial** brokerage	12.9	21.2	24.0	143.0	9.44	44	13	71.5	1.75	7.5	1.55	8.19
179	■	**Lumex** hospital furniture	12.8	12.9	13.0	75.4	4.70	27	12	51.3	1.16	10.6	1.45	8.72
180	192	**Tech-Sym** electronics	12.8	14.3	11.0	101.7	8.86	18	12	81.4	1.34	9.1	1.80	9.35
181	199	**Morgan Keegan** securities brokerage	12.7	19.8	18.0	86.4	6.70	0	11	60.9	1.28	8.2	1.45	5.84
182	198	**Products Research & Chem** specialty chemicals	12.7	15.6	19.0	95.3	7.81	4	15	139.5	0.83	17.8	1.01	5.30
183	■	**Robert Halmi** film production	12.4	34.2	50.0	33.0	5.70	0	2	47.6	0.26	8.2	NA	0.75
184	■	**Raymond Corp** forklifts	12.4	10.8	11.0	137.6	6.71	17	12	71.9	1.13	10.6	1.70	10.34
185	194	**Sikes Cl A** ceramic tiles	12.4	23.4	44.0	113.9	8.18	36	10	88.7	0.92	11.3	1.33	4.08
186	■	**Engraph** packaging materials	12.3	11.9	20.0	113.0	3.17	39	11	56.9	0.59	17.8	0.83	4.90
187	■	**Network Systems** computer networks	12.1	10.1	28.0	109.6	17.21	2	9	273.4	0.59	15.9	0.78	5.85
188	■	**Oakwood Homes** manufactured housing	12.1	11.2	12.0	93.3	6.08	54	9	50.2	1.07	8.2	1.45	9.48
189	■	**Timeplex** data communications equip	12.0	25.8	54.0	147.1	19.50	47	25	242.3	2.12	11.9	1.90	7.88
190	■	**Adams-Millis** textiles	11.9	12.2	30.0	201.5	6.27	87	11	50.4	1.32	8.1	1.85	10.98
191	■	**Addison-Wesley Publish Cl B** publishing	11.9	12.6	13.0	156.0	7.93	12	50	129.1	3.10	16.1	3.92	24.35
192	■	**ASK Computer Sys** computer software, svcs	11.9	11.0	17.0	98.3	8.00	1	9	112.5	0.62	13.9	0.79	5.58
193	191	**Forest Labs** drugs	11.8	13.6	28.0	72.9	13.42	1	18	304.9	0.83	21.1	1.39	5.65
194	■	**CML Group** sportswear, rec prods	11.7	18.0	24.0	283.0	9.04	86	20	128.8	1.35	14.8	1.80	7.81
195	■	**Guardsman Products** coatings & polishes	11.6	14.9	21.0	103.7	4.53	5	13	62.4	1.02	12.4	1.35	6.15
196	■	**C&R Clothiers** apparel stores	11.5	24.7	48.0	64.6	1.52	4	12	15.4	1.48	8.1	NA	4.81
197	■	**Barris Industries** TV programs	11.4	46.4	121.0	64.2	17.97	0	7	64.5	2.08	3.5	1.85	4.35
198	■	**Computer Entry Sys** optical character recog equip	11.2	14.3	28.0	73.6	2.98	51	6	30.7	0.56	10.7	NA	4.07
199	■	**Colonial Life & Acc Cl B** insurance	11.1	12.0	11.0	206.7	22.15	2	25	197.6	2.80	8.9	3.36	23.38
200	■	**Telecredit** credit approval, paymnt svcs	11.1	17.2	10.0	129.2	10.92	0	33	349.2	1.01	32.9	2.03	6.06

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Bosses small but powerful

Who runs the country's 200 best small companies? The chief executives in this directory are a varied lot. Of them, 67 have advanced degrees—yet 38 did not graduate from college. In 88 companies, founders or cofounders are still in charge.

Most in the group own large amounts of their companies' stock. For stock holdings, we include shares of beneficial interest and stock held by an executive's wife or children, even if beneficial ownership is legally disclaimed.

Where possible, shares in which the executive shared voting and investment power were excluded. Also dropped were shares that were held by foundations, by a parent and shares that were held by family members active in the business.

Company	Chief executive	Age	—Years— with co	as CEO	Undergraduate college	College degrees	—Compensation— (000) salary	bonus	—Stock owned— %	mkt value (000)
ABI Am Businessphones	Frank J Feitz	43	7	7			$ 185.3*		33.11%	$5,329
Actmedia	Bruce F Failing Jr	39	15	1	Tufts	BA, MBA	200.0		8.07	14,413
Adams-Millis	James H Millis Sr	64	40	20	U of N Carolina	BS	265.7*		33.58	16,911
Addison-Wesley Pub	Don R Hammonds	60	14	8	Princeton	BA	348.0*		23.63[1]	30,500[1]
Adia Services	Walter W Macauley	44	8	3	Yale	BA	335.4*		0.18	390
Advanced Systems	William R Roach	47	6	6	UCLA	BS	279.8	$265.0	0.62	881
Allied Security	Neal H Holmes	57	30	30			292.0	61.6	29.39	5,530
Alloy Computer Products	Richard A Gorgens	40	9	9	Northeastern	BS	155.6*		54.82	17,007
American Land Cruisers	Robert A Smalley	64	15	15	St Leo College	BS	230.0*		18.96	5,892
American List	Martin Lerner	54	22	22	Brooklyn Polytech	BS	150.0	254.0	10.38†	2,598
American Software	James C Edenfield[2]	51	17	5	Georgia Tech	BS	225.0	2.2	18.39[3]	17,555[3]
Andover Controls	William J LaPointe	46	8	8	Northeastern	BA, MS, MBA	133.2		1.02	293
Anitec Image Technology	Gerhard R Andlinger	56	6	6	Princeton	BA, MBA	600.0*		15.83	29,247
Armor All Products	Jeffrey M Sherman	38	9	1	NA		167.8	95.0	‡	5
Arnold Industries	Edward H Arnold	48	18	5	Notre Dame	BS	327.1*		31.91	34,973
ARX	Julius D Winer	69	8	7			267.0	342.2	5.65	2,831
Ashton-Tate	Edward M Esber Jr	35	3	3	Case Inst of Tech	BS, MS, MBA	943.2*		0.96	4,866
ASK Computer Sys	Ronald W Braniff	51	3	2	Oregon State	BS, MBS	204.8	95.0	1.52	1,710
Athey Prods	James D Cloonan	54	4	4	Fenn College	BS	150.0*		0.27	101

[1] Class A and B combined. [2] James C Newberry is co-CEO. His compensation is the same as Mr. Edenfield's. [3] Mr. Edenfield's holdings are all in Cl B which is convertible into Cl A. Indicated holdings and market value reflect all class of stock. *Salary and bonus. †Includes family holdings. ‡Less than 0.01% NA: Not available.

The 200 Best Small Companies' Chief Executives

			—Years—				—Compensation— (000)		—Stock owned—	
Company	Chief executive	Age	with co	as CEO	Undergraduate college	College degrees	salary	bonus	%	mkt value (000)
Atlantic Southeast Air	George F Pickett Jr	46	9	9	U of Texas	BS, MBA	$170.0*		2.80%	$3,649
Avemco	William P Condon	50	25	5			145.0	$216.5	0.53	1,000
George Banta	Harry W Earle	63	8	8	Williams College	BA	211.4*		0.50	1,109
Barr Labs	Edwin A Cohen	55	17	17	City College NY	BA	385.9*		7.66	5,207
Barris Industries	Bert Sugarman	48	1	1			425.0*[1]		23.05	14,863
Biocraft Labs	Harold Snyder	66	23	2	NYU	BS, PhD	385.0*		31.11	82,707
Biomet	Dane A Miller	41	9	9	GM Inst	BS, PhD	112.5*		6.63	15,049
Blessings	David E Lewis	63	12	10	Yale	BA	362.3*		0.01	5
Bolar Pharmaceutical	Robert Schulman	53	27	27	Columbia	BS	279.5*		13.03	41,376
Boston Acoustics	Francis L Reed	54	8	8	Boston	BA	185.8*		37.27	4,979
Bowne & Co	Franz von Ziegesar	63	36	4	Yale	BSE	410.0*		0.65	1,806
Bush Inds	Paul S Bush	49	28	16			174.4	224.4	47.09	26,486
C&R Clothiers	Paul S Reisbord	44	20	16	Northwestern	BA, MBA, PhD	264.2	191.6	59.05	9,070
Cadmus Communications	Wallace Stettinius	54	4	4	U of Virginia	BA, MBA	243.1*		4.87	5,352
Canonie Envir Svcs	Richard F Brissette	53	7	7	Carnegie-Mellon	BS	289.8*		0.24	288
CareerCom	Michael McKinney	38	6	1	Anderson College	BA, MS	165.0	251.5	3.16	2,494
Casey's General Stores	Donald F Lamberti	49	20	12	NA		200.0	250.0	22.42	35,895
CCX Network	Charles D Morgan Jr	44	15	12	U of Arkansas	BS	170.5*		34.28	17,270
CEM	Michael J Collins	45	9	9	U of Florida	BS, PhD	118.0		14.55	4,434
Cherokee Group	James Argyropoulos	43	15	15			350.0	350.0	15.14†	18,549
Chief Automotive Sys	Richard J Mullen	61	13	3	Loyola (Chi)	BS	96.0	152.4	0.17	107
Chili's	Norman E Brinker	56	4	4	San Diego State U	BS	175.0		7.63	9,955
Cintas	Richard T Farmer	52	30	19	Miami U, Ohio	BA	313.5*		39.39†	143,839
Clayton Homes	James L Clayton	53	26	26	U of Tennessee	BS, JD	180.7		50.63	63,322
ClothesTime	Michael P DeAngelo	39	9	9	NA		334.0*		16.99	18,292
CML Group	Charles M Leighton	52	19	19	Bowdoin	BA, MBA	393.0		7.19†	9,260
Colonial Life & Acc Cl B	Gayle O Averyt	54	29	17	Davidson College	BS, MBA	195.0	58.5	8.59†[2]	16,973[2]
Community Psychiatric	James W Conte	59	25	25	U of Iowa	BA, MHA	700.0	250.0	1.00	9,959
Computer Entry Sys	Brian T Cunningham	51	18	4	St. Francis Penn	BS	154.8	63.0	2.84	872
CPI Corp	Alyn V Essman	55	31	14	Washington U (StL)	BA	510.0	204.0	3.92†	9,557
Crawford & Co	T Gordy Germany	61	40	14	Auburn	BS	361.6	105.0	‡	6
Crown Books	Robert M Haft	35	10	10	U of Penn	MS, MBA	300.0	200.0	0.01[3]	7[3]
Data Translation	Alfred A Molinari Jr	45	14	14	Worcester Polytech	BS, MS, MBA	165.0*		26.43	14,632

These 200 bosses do pretty well. Median salary plus bonus comes to $279,500. And look at their stock holdings.

[1] Annualized figure (salary). [2] Indicated percentage holdings and market value includes all classes of stock. [3] Haft family and Dart Group control 52.3% of Crown Books. Market value of Dart Group's holdings is $30.9 million. *Salary and bonus. †Includes family holdings. ‡Less than 0.01%. NA: Not available.

The 200 Best Small Companies' Chief Executives

Company	Chief executive	Age	—Years— with co	as CEO	Undergraduate college	College degrees	—Compensation— (000) salary	bonus	—Stock owned— %	mkt value (000)
Daxor	Joseph Feldschuh	52	13	13	Columbia	BA, MD	—[1]		54.62%	$19,209
Deb Shops	Marvin Rounick	47	26	8	Wharton	BS	$375.0		30.31	52,897
Diagnostic Prods	Sigi Ziering	59	15	15	Brooklyn College	BS, MS, PhD	240.0*		30.16	45,428
Diceon Electronics	Roland G Matthews	48	7	7			230.5*		11.12	20,147
Digital Commun Assocs	Bertil D Nordin	51	6	6	Northwestern	BS, MBA	453.8	$232.3	0.98	4,296
Dionex	A Blaine Bowman	41	10	7	Brigham Young	BS, MBA	175.0	169.0	1.38	2,896
Dresher	A Barry Merkin	52	9	1	Brown	BA, MBA	192.0	63.7	6.84	2,765
Dress Barn	Elliot S Jaffe	61	24	24	Wharton	BS	520.0		37.49	70,703
Dreyfus	Howard Stein	61	32	22			1,612.4*		2.70	27,346
Dryclean USA	Eric J Schwartz	50	10	10			150.0		38.27	13,419
Duquesne Systems	Glen F Chatfield	44	17	11	Penn State	BS	163.5	68.0	5.20	6,936
Durakon Industries	Michael Wayne	42	8	8			291.1		47.66	30,244
Dycom Inds	Thomas R Pledger	49	3	3			152.2		7.51	2,712
Eaton Vance	Landon T Clay	61	19	16	Harvard	BA	237.1		21.88	16,232
Educational Computer	George W Murphy	51	17	17	Fordham	BS	234.9*		2.47	1,134
Eldon Industries	Robert Silverstein	64	29	29			303.4		11.38	11,081
Electromagnetic Sciences	John E Pippin	61	19	19	Georgia Tech	BS, PhD	269.6		1.65†	1,582
Engraph	Leo Benatar	57	6	6	Georgia Tech	BIE	281.3*		3.14	1,786
Entertainment Pubns	Hughes L Potiker	62	27	27	Wayne State	BA, JD	230.0*[2]		21.07[2]	19,637[2]
Ero Industries	Martin N Sandler	70	19	19	U of Minnesota	BBA	162.5	81.3	29.91	8,794
Fabric Wholesalers	Tony J Bosboom	64	19	19			95.0*		9.29	2,152
First Finl Management	Patrick H Thomas	45	16	15	Georgia State U	BS, MS	380.0*		1.86	4,517
FlightSafety Intl	Albert L Ueltschi	70	36	36			214.6		35.43	255,118
Forest Laboratories	Howard Solomon	60	10	10	City College NY	BS, LLB	253.8		2.68	8,173
Franklin Resources	Charles B Johnson	54	33	33	Yale	BS	420.7*		16.23	74,737
Frontier Insurance Group	Walter A Rhulen	56	10	10	U of Connecticut	BS	120.0[3]		16.83[4]	4,477[4]
Fur Vault	Fred Schwartz	56	32	3	City College NY	BA	399.3*		11.28	8,572
Gantos	L Douglas Gantos	54	27	25	Michigan State	BS	352.4*		30.41	18,407
General Physics	Robert W Deutsch	63	21	21	MIT	BS, PhD	194.8	80.0	—[5]	0
Gerber Scientific	H Joseph Gerber	63	39	39	Rensselaer	BS	290.9	91.1	11.65	51,094
Group 1 Software	Robert S Bowen	49	4	4	Northwestern	BS, MBA	—[6]		0.21	65
Guardsman Products	Keith C Vander Hyde	59	28	17			297.4*		0.67	419
Robert Halmi	Robert Halmi Sr	63	21	21	U of Budapest	BA	406.3	105.0	6.16	2,929

[1] Dr. Feldschuh's compensation is less than $60,000. [2] Fiscal 1986 data. [3] Annualized figure. [4] Walter A Rhulen owns only Class A shares. Indicated percentage holdings and market value includes all classes of stock. [5] Dr. Deutsch and family have option to reacquire 834,000 shares (24.1%) held by National Patent Development, on 12/31/91. [6] Mr. Bowen is compensated by a management consulting firm. *Salary and bonus. †Includes family holdings. ‡Less than 0.01%.

Kenan Transport's Lee Shaffer played professional basketball and was traded for Wilt Chamberlain. Robert Halmi Inc.'s Robert Halmi was a Hungarian freedom fighter.

The 200 Best Small Companies' Chief Executives

			—Years—				—Compensation— (000)		—Stock owned—	
Company	Chief executive	Age	with co	as CEO	Undergraduate college	College degrees	salary	bonus	%	mkt value (000)
John H Harland	J William Robinson	67	37	18	U of Alabama	BS	$360.3		2.76%	$20,236
Haverty Furniture	Rawson Haverty Sr	66	46	3	U of Georgia	BA	299.1*		6.10	4,083
Heartland Express	Russell A Gerdin	46	9	9	Moorhead State	BA	452.1*		6.68	2,756
Heico	Chester A Warner	77	7	5			195.2		0.38	177
Heilig-Meyers	William C DeRusha	37	18	2	VA Cmmnwlth	BS	265.0†		0.33	607
Herley Microwave Sys	Lee N Blatt	59	22	22	NA		150.0[1]		22.85[1]	2,903[1]
Hovnanian Enterprises	Kevork S Hovnanian	64	28	28			346.7	$193.6	56.73	129,608
Hunt Manufacturing	Ronald J Naples	42	11	6	West Point	BS, MA, MBA	209.3	22.5	1.27	2,616
JB Hunt Trans Svcs	Kirk Thompson	34	14	1	U of Arkansas	BS	123.7	110.2	0.36	1,560
Inacomp Computer Ctrs	Rick Inatome	34	11	8	Michigan State	BA	164.3*		307.29†	14,842
Inmac	Kenneth A Eldred	44	11	11	Stanford	BA, MBA	284.2*		32.50	47,672
Intertrans	Sam N Wilson	52	9	9	North Texas State	BA	99.0		7.28	1,873
Intl Dairy Queen Cl A	Harris Cooper	49	17	17	St Louis Law	SJD	263.3	398.9	1.80	4,140
Isco	Robert W Allington	52	27	26	U of Nebraska	BS, MS	168.4*		50.99	21,982
J&J Snack Foods	Gerald B Shreiber	45	16	16			275.0E		54.80	25,587
Juno Lighting	Robert S Fremont	62	11	11	NYU	BA	358.1		7.58	9,890
Kenan Trans	Lee P Shaffer	48	22	13	U of N Carolina	BA	149.0		6.41	2,170
King World Productions	Michael King	39	14	3	Fairleigh Dickinson	BA	300.0	200.0	9.83†	61,734
La Petite Academy	Jack L Brozman	37	9	9	Washington U	BA, MBA	200.0		2.01	5,197
P Leiner Nutritional Prods	Michael Leiner	41	9	8	Imperial Col (London)	BSC, MBA	197.0	91.8	3.73	1,310
LIN Broadcasting	Donald A Pels	59	18	18	U of Pennsylvania	BS, JD	870.0		3.38	72,486
Liqui-Box	Samuel B Davis	45	24	5			486.0		10.11	7,932
Luby's Cafeterias	John B Lahourcade	62	18	5	U of Texas	BBA	240.2*		1.22	5,213
Lumex	Lawrence N Cohen	55	21	1	Cornell	BA	213.1		0.30	152
MacNeal-Schwendler	Joseph F Gloudeman	52	9	3	Marquette	MS, Dr Ing	202.9	40.2	3.14	6,415
McClain Inds	Kenneth D McClain	46	23	23			171.6*		37.94	4,868
Medex	Craig Waldbillig	61	28	16	Boston	BS	158.3*		13.84	3,885
Mentor Corp Minn	Chris J Conway	48	18	18			200.0*		1.42	1,263
Merry-Go-Round Ent	Michael D Sullivan	48	13	5	Loyola	BS	363.4*		1.83	1,570
Microsemi	Philip Frey Jr	60	16	16			149.3	174.5	8.34	5,906
Milwaukee Ins Gr	Robert W Doucette	64	40	25	Marquette	BA	240.7*		0.31	107
Morgan Keegan	Allen B Morgan Jr	45	18	4	North Carolina	AB	491.6*		10.89	6,630
Morino Associates	Mario M Morino	44	14	14	Case Western	BBA	210.0	150.0	35.75	47,782
Napco Security Systems	Richard Soloway	41	15	6			310.7[1]		20.54[1]	7,819[1]
Network Systems	Lyle D Altman	57	11	2	U of Nebraska	BS	210.0	16.8	1.06	2,898
Neutrogena	Lloyd E Cotsen	58	30	20	Princeton	BA, MBA	350.0	350.0	53.06	328,995
New England Business Svc	Richard H Rhoads	57	22	12	U of Virginia	BA, MBA	272.3*		5.58	18,417
NY Marine & Gen Ins	John N Blackman	63	15	15	Yale	BA	—[2]		‡	0
Nordson	William P Madar	48	2	2	Purdue	BS, MBA	363.1*		0.20	586
Nuclear Support Services	Laurence M Strassner	45	2	1	West Point	BS, MBA	101.9*		1.56	312
Oakwood Homes	Nicholas J St George	48	8	8	William and Mary	BA, JD	255.8*		0.94	471

[1] Fiscal 1986 data. [2] Mr. Blackman is compensated by a management consulting firm. *Salary and bonus. †Includes family holdings. ‡Less than 0.01%. E: Estimate. NA: Not available.

The 200 Best Small Companies' Chief Executives

Company	Chief executive	Age	—Years— with co	as CEO	Undergraduate college	College Degrees	—Compensation— (000) salary	bonus	—Stock owned— %	mkt value (000)
Oil-Dri Corp of America	Richard M Jaffee	51	30	27	U of Wisconsin	BA	$206.2	$63.1	37.09[1]%	$30,098
Optical Radiation	Richard D Wood	48	18	18	U of Kansas	BS, MBA	231.0		12.77	16,985
Oshkosh B'Gosh	Charles F Hyde	67	39	20	Wesleyan	BA	457.1*		3.22	12,546
PAM Transportation Svcs	Paul A Maestri	57	7	7			288.4	75.0	54.07†	21,969
Pancho's Mexican Buffet	Hollis Taylor	51	14	8	Lamar	BBA	191.8*		1.28	491
Pansophic Systems	David J Eskra	46	8	3	St Mary's College	BA	350.6*		0.23	772
Par Pharmaceutical	Perry Levine	66	8	8			400.0*		7.20†	14,796
Park Communications	Roy H Park	77	25	25	U of N Carolina	BS	616.7		89.28	375,778
Park Electrochemical	Jerry Shore	62	22	22	Purdue	BS, MS	250.0	30.1	16.83	13,346
Paychex	B Thomas Golisano	46	16	16			204.9		17.65	31,865
PCS	Donald B Dahlin	37	6	6	U of Tulsa	BS	176.8	100.0	0.01	27
Pioneer Group	John F Cogan Jr	60	25	24	Harvard	BS, JD	217.9	100.0	13.56	13,968
Policy Mgmt Sys	G Larry Wilson	41	15	15	U of S Carolina	BS, MBA	211.8	50.0	0.44	1,412
T Rowe Price Assocs	George J Collins	47	15	3	Va Mily Inst	BA, MBA	265.0	365.0	3.62	7,426
Products Rsrch & Chem	George Gregory	70	35	21	UCLA	BA	420.0	470.0	1.62	2,257
Pulaski Furniture	Bernard C Wampler	56	32	20	N Carolina State	BS	252.8*		3.75	1,940
QMS	James L Busby	41	10	10	U of Alabama	BS, MBA	253.4*		15.19	25,118
Quarex Inds	Frank Castellana	32	14	5			167.0		22.69	1,578
Questech	William L Mayo	59	1	1	Loma Linda	BS, MS	NA[2]		NA[2]	NA[2]
Quick & Reilly Group	Leslie C Quick Jr	61	13	13	Widener	BS	912.5		21.04	27,916
Raven Industries	David A Christensen	52	25	16	S Dakota State	BS	207.8*		2.90	680
Raymond Corp	George Raymond Jr	65	46	16			250.0*		15.28	10,980
Raymond James Financial	Thomas A James	45	21	18	Harvard	AV, MBA	195.8	250.0	34.08	24,371
Regal Beloit	James L Packard	45	8	3			194.9*		0.76	787
Republic American	Carl H Lindner	68	14	14			15.0[3]		0.22[4]	653[4]
Richardson Electronics	Edward J Richardson	45	26	17			270.0*	165.0	57.49	93,096
RLI	Gerald D Stephens	55	29	22	U of Wisconsin	BBA	169.0	61.0	9.49	5,801
RPM Inc Ohio	Thomas C Sullivan	50	26	16	Miami U (Ohio)	BS	330.0	150.0	2.54	6,442
Russ Berrie & Co	Russell Berrie	54	25	25			400.0	342.0	54.05	238,997
Ryan's Family Steak Hse	T Mark McCall	29	9	1	The Citadel	BS	160.6		2.72	13,429
S&K Famous Brands	Stuart C Siegel	45	20	2	E Carolina U	BS	310.4*		48.83	9,557
SafeCard Services	Steven J Halmos	39	18	1	Georgia Tech	BS, MBA	432.0		1.69	4,777
Safety-Kleen	Don W Brinckman	56	18	18	Northwestern	BS, MBA	461.2*		1.12	12,038

[1] Classes A and B combined. Richard Jaffee and brother control majority of Cl B. [2] Previous chief executive, Herbert W Klotz, died November 1986. William L Mayo assumed control May 1987. [3] Director's fee. [4] American Financial Corp owns 32.1% of Republic American. Carl Linder owns 45.4% of American Financial. *Salary and bonus. †Indicates family holdings. ‡Less than 0.01%. NA: Not available.

Of these chief executives, 67 have advanced degrees, including 19 doctorates and 35 M.B.A.s. But 38 never bothered to graduate from college.

The 200 Best Small Companies' Chief Executives

Company	Chief executive	Age	—Years— with co	as CEO	Undergraduate college	College degrees	—Compensation— (000) salary	bonus	—Stock owned— %	mkt value (000)
Sands Regent	Pete Cladianos Jr	57	22	22	U of Nevada	BA	$207.5	$32.7	26.37%	$8,275
SAY Industries	Romilly Humphries	57	12	1	Trinity College	BA	220.0		4.72†	642
Scan-Tron	John T Saunders	57	4	4	U of Minnesota	BS	180.3*		0.13	57
Seaboard Corp	Harry Bresky	71	NA	NA	NA		256.8		0.38	479
Sealed Air	T J Dermot Dunphy	55	16	16	Oxford[1]	MBA	312.3*		2.02	5,578
Seaman Furniture	Morton Seaman	55	33	33	U of Pennsylvania	BS	404.3		16.38	39,590
Sigma-Aldrich	Tom Cori	51	17	9	U of Wisconsin	BS, PhD	340.0	204.1	0.15	1,331
Sikes Corp Cl A	Kelly E Norton	48	18	5	Georgia Tech	BS	325.0*		0.74†	330
Simmons Airlines	Joel Murray	47	7	5	U of Wisconsin	BS, JD, ML	162.9[2]	10.0[2]	11.33[2]	3,781[2]
Sippican	Richard I Arthur	53	23	6			275.5*		1.72	795
Sizzler Restaurants Intl	Thomas L Gregory	52	13	7	Michigan State	BS	175.9	175.9	0.76	1,885
Spec's Music	Ann S Lieff	30	13	7	U of Denver	BS	117.0*		47.10	10,007
Stanline	Stanley G Frahm	54	21	6	Iowa State	BS	104.3	10.0	12.63	1,822
Stockholder Sys	Larry A Dean	45	16	16	Georgia Tech	BS, MBA	195.0		51.80[3]	12,491[3]
Strober Organization	Eric D Strober	46	25	25	Boston	BS	485.5	4,030.8	50.74	26,639
Stryker	John W Brown	53	10	10	Auburn	BS	250.0*		4.86	15,144
Swift Energy	A Earl Swift	54	8	8	U of Oklahoma	BS, JD	129.7		13.06	5,528
Syms	Sy Syms	61	28	28	NYU	BA	844.1		80.25	145,177
Systematics	Raymond R Maturi	49	8	2	Notre Dame	BS	203.7		0.43	1,116
Tech-Sym	Wendell W Gamel	58	25	12	Georgia Tech	BSEE	354.2*		0.90	736
Technalysis	Victor A Rocchio	60	19	19	U of Minnesota	BA	184.3*		17.47	2,494
Technitrol	Roy E Hock	58	29	11	Wayne	BS	178.3*		3.59	1,552
Telecredit	Lee A Ault III	51	20	19	Yale	BA	507.5*		0.56	1,962
Teleflex	Lennox K Black	57	26	15	McGill	BCOM	319.9	75.0	3.71	10,008
Telerate	Neil S Hirsch	40	8	8			500.0	296.6	7.13	53,992
Telxon	Raymond D Meyo	46	15	2	Notre Dame	BA, JD	195.0	195.0	1.71	3,772
Tennant	Roger L Hale	47	26	11	Brown	BA, MBA	369.9*		3.29	4,176
Thermo Instrument Sys	Arvin H Smith	59	17	1	Texas Christian	BS	—[5]			
Thor Industries	Wade FB Thompson	47	7	7	NYU	BCOM, MS	120.0		45.87	36,386
Timeplex	Edward Botwinick	52	10	10	Columbia	BS, BA	300.0	400.0	6.49†	15,716
Tootsie Roll Industries	Melvin J Gordon	67	25	9	Harvard	AB, MBA	423.3*		9.23	20,283
Traditional Inds	Arland D Dunn	48	11	11			170.9		30.54	6,570
Trans World Music	Robert J Higgins	46	14	14			634.4*		69.33	124,800
Trus Joist	Walter C Minnick	45	13	1	Whitman College	BS, MBA, JD	253.6		0.74†	916
UniFirst	Aldo A Croatti	69	47	37			202.4		57.30	62,086
Uniforce Temp Personnel	John Fanning	56	33	33			82.0	95.6	26.62	10,908
Value Line	Arnold Bernhard	85	52	52	Williams College	BA	248.3*		80.53	180,176
Vanguard Technol Intl	Dean W Crawford	46	8	8	Rochester Tech	BS, MA	194.5*		36.61[3,4]	12,591[3,4]
Versa Technologies	James E Mohrhauser	65	17	17			211.5		7.73	5,290
Vishay Intertechnology	Felix Zandman	59	25	25	U of Nancy, France	ME, PhD	304.6		15.72	20,422
Welbilt	Richard L Hirsch	46	24	17	Brown	BA	318.8*		18.62	22,039

[1] Graduate school. [2] Fiscal 1986 data. [3] Indicated holdings and market value include all classes of stock. [4] Dean W Crawford holds only Class B stock. [5] Salary and bonus paid by Thermo Instrument Systems and Thermo Electron Corp. *Salary and bonus. †Includes family holdings. ‡Less than 0.01%. NA: Not available.

Company Directory

This alphabetical directory of the 200 best small companies shows how to reach them and how they rank by return on equity, sales, profits and market value. To find a company in the tables beginning on page 200, use the 5-year ROE ranking.

			Where they rank					
Company	**Exch**	**Ticker**	**5-year average ROE**	**sales**	**profits**	**market value**	**City, state**	**Telephone**
ABI Am Businessphones	a	AB	9	183	199	190	Irvine, CA	(714) 472-2200
Actmedia	o	ACTM	95	110	118	70	Westhampton Bch, NY	(516) 325-1000
Adams-Millis	n	ALL	190	38	113	142	High Point, NC	(919) 889-7071
Addison-Wesley Publish Cl B	o	ADSNB	191	55	100	88	Reading, MA	(617) 944-3700
Adia Services	o	ADIA	118	2	94	54	Menlo Park, CA	(415) 324-0698
Advanced Systems	n	ASY	112	119	77	77	Arlington Hts, IL	(312) 981-1500
Allied Security	o	ASCY	103	130	198	189	Pittsburgh, PA	(412) 884-2636
Alloy Computer Products	o	ALOY	41	155	167	173	Framingham, MA	(617) 875-6100
American Land Cruisers	a	RVR	155	166	193	172	Miami, FL	(305) 262-9611
American List	a	AMZ	30	200	188	181	Great Neck, NY	(516) 466-0602
American Software Cl A	o	AMSWA	116	150	92	106	Atlanta, GA	(404) 261-4381
Andover Controls	o	ANDO	73	190	173	177	Andover, MA	(617) 470-0555
Anitec Image Technology	o	ANTC	15	64	38	64	Binghamton, NY	(607) 774-3333
Armor All Products	o	ARMR	70	82	28	26	Irvine, CA	(714) 553-1003
Arnold Industries	o	AIND	71	94	72	79	Lebanon, PA	(717) 274-2521
ARX	n	ARX	113	133	120	145	Plainview, NY	(516) 694-6700
Ashton-Tate	o	TATE	31	21	7	11	Torrance, CA	(213) 329-8000
ASK Computer Sys	o	ASKI	192	95	98	98	Los Altos, CA	(415) 969-4442
Athey Products	o	ATPC	171	162	155	161	Raleigh, NC	(919) 556-5171
Atlantic Southeast Air	o	ASAI	59	89	60	86	College Park, GA	(404) 996-4562
Avemco	n	AVE	139	77	45	63	Frederick, MD	(301) 694-5700
George Banta	o	BNTA	115	5	37	51	Menasha, WI	(414) 722-7771
Barr Labs	o	BARL	21	134	146	126	Northvale, NJ	(201) 767-1900
Barris Industries	o	BRRS	197	129	30	127	Beverly Hills, CA	(213) 273-5678
Biocraft Labs	n	BCL	100	122	66	38	Elmwood Park, NJ	(201) 796-3434
Biomet	o	BMET	135	139	80	49	Warsaw, IN	(219) 267-6639
Blessings	a	BCO	125	120	124	117	Liberty Corner, NJ	(201) 647-7980
Bolar Pharmaceutical	a	BLR	96	132	67	28	Copiague, NY	(516) 842-8383
Boston Acoustics	o	BOSA	50	193	189	196	Peabody, MA	(617) 532-2111
Bowne & Co	a	BNE	140	34	16	34	New York, NY	(212) 924-5500
Bush Inds Cl A	a	BSH	37	108	144	136	Little Valley, NY	(716) 665-2000
Cadmus Communications	o	CDMS	111	75	133	99	Richmond, VA	(804) 264-2885

a: American Stock Exchange. n: New York Stock Exchange. o: over-the-counter.

Sources: William O'Neil & Co.; Forbes

Company Directory

Company	Exch	Ticker	Where they rank 5-year average ROE	sales	profit	market value	City, state	Telephone
Canonie Environmental Svcs	o	CANO	4	171	135	97	Porter, IN	(219) 926-8651
CareerCom	o	CRCM	80	127	148	116	King of Prussia, PA	(215) 337-7176
Casey's General Stor[illegible]	o	CASY	119	6	87	74	Des Moines, IA	(515) 263-3700
CCX Network	o	CCXN	81	178	180	141	Conway, AR	(501) 329-6836
CEM	o	CEMX	67	196	196	174	Indian Trail, NC	(704) 821-9204
Cherokee Group	o	CHKE	54	66	74	94	N Hollywood, CA	(213) 875-1002
Chief Automotive Sys	o	CHFS	22	163	105	130	Grand Island, NE	(308) 384-9747
Chili's	o	CHLI	55	47	111	84	Dallas, TX	(214) 980-9917
Cintas	o	CTAS	99	48	48	22	Cincinnati, OH	(513) 489-4000
Clayton Homes	n	CMH	122	45	71	92	Knoxville, TN	(615) 970-7200
ClothesTime	o	CTME	16	46	53	101	Anaheim, CA	(714) 779-5881
CML Group	o	CML	194	10	82	89	Acton, MA	(617) 264-4155
Colonial Life & Acc Cl B	o	CACCB	199	35	24	61	Columbia, SC	(803) 798-7000
Community Psychiatric Cntrs	n	CMY	88	9	2	4	Santa Ana, CA	(415) 397-6151
Computer Entry Sys	o	CESC	198	114	161	175	Silver Spring, MD	(301) 622-3500
CPI Corp	o	CPIC	56	14	25	43	St Louis, MO	(314) 231-1575
Crawford & Co	o	CRAW	82	17	40	55	Atlanta, GA	(404) 256-0830
Crown Books	o	CRWN	142	53	130	134	Landover, MD	(301) 731-120[illegible]
C&R Clothiers	o	CLTH	196	128	190	191	Culver City, CA	(213) 559-8200
Data Translation	o	DATX	83	179	165	137	Marlborough, MA	(617) 481-3700
Daxor	o	DAXR	104	199	157	163	New York, NY	(212) 935-1430
Deb Shops	o	DEBS	38	41	52	71	Philadelphia, PA	(215) 676-6000
Diagnostic Prods	o	DPCZ	97	175	102	75	Los Angeles, CA	(213) 776-0180
Diceon Electronics	o	DICN	26	100	89	66	Irvine, CA	(714) 833-0870
Digital Commun Assocs	o	DCAI	149	42	12	15	Alpharetta, GA	(404) 442-4000
Dionex	o	DNEX	132	143	85	56	Sunnyvale, CA	(408) 737-0700
Dresher	o	DRES	68	157	166	158	Bedford Park, IL	(312) 594-8900
Dress Barn	o	DBRN	32	49	58	62	Stamford, CT	(203) 327-4242
Dreyfus	n	DRY	43	15	1	3	New York, NY	(212) 715-6000
Dryclean USA	o	DUSA	14	191	185	165	Miami, FL	(305) 667-3488
Duquesne Systems	o	DUQN	65	169	106	81	Pittsburgh, PA	(412) 323-2600
Durakon Industries	o	DRKN	25	102	134	128	Lapeer, MI	(313) 664-0850
Dycom Inds	o	DYCO	108	125	163	162	W Palm Beach, FL	(305) 659-6301
Eaton Vance	o	EAVN	66	152	68	120	Boston, MA	(617) 482-8260
Educational Computer	n	ECC	150	165	150	150	Orlando, FL	(215) 687-2600
Eldon Industries	a	ELD	160	112	128	104	Inglewood, CA	(213) 642-7716
Electromagnetic Sciences	o	ELMG	105	141	116	105	Atlanta, GA	(404) 448-5770
Engraph	o	ENGH	186	79	158	135	Atlanta, GA	(404) 329-0332
Entertainment Publications	o	EPUB	86	146	121	107	Birmingham, MI	(313) 642-8300
Ero Industries	a	ERO	84	158	168	176	Chicago, IL	(312) 965-3700
Fabric Wholesalers	o	FBRC	129	147	181	184	Portland, OR	(503) 666-4511
First Finl Management	o	FFMC	151	101	108	44	Atlanta, GA	(404) 321-0120

a: American Stock Exchange. n: New York Stock Exchange. o: over-the-counter.

Sources: William O'Neil & Co.; Forbes

Company Directory

Company	Exch	Ticker	Where they rank 5-year average ROE	sales	profit	market value	City, state	Telephone
FlightSafety Intl	n	FSI	94	74	10	8	Flushing, NY	(718) 565-4100
Forest Labs	a	FRX	193	116	54	30	New York, NY	(212) 421-7850
Franklin Resources	n	BEN	3	39	4	13	San Mateo, CA	(415) 570-3000
Frontier Insurance Group	o	FRTR	106	173	147	179	Monticello, NY	(914) 794-8000
Fur Vault	a	FRV	76	105	136	119	New York, NY	(212) 563-7070
Gantos	o	GTOS	77	78	138	133	Grand Rapids, MI	(616) 949-7000
General Physics	o	GPHY	74	96	139	144	Columbia, MD	(301) 964-6000
Gerber Scientific	n	GRB	146	25	22	16	S Windsor, CT	(203) 644-1551
Group 1 Software	o	GSOF	19	197	191	171	Washington, DC	(202) 537-2578
Guardsman Products	a	GRV	195	90	143	129	Grand Rapids, MI	(616) 957-2600
Robert Halmi	a	RHI	183	174	123	146	New York, NY	(212) 977-9001
John H Harland	n	JH	62	12	6	7	Decatur, GA	(404) 981-9460
Haverty Furniture	o	HAVT	164	36	91	123	Atlanta, GA	(404) 881-1911
Heartland Express	o	HTLD	17	189	160	155	Coralville, IA	(319) 645-2728
Heico	a	HEI	46	148	95	148	Hollywood, FL	(305) 987-6101
Heilig-Meyers	n	HMY	175	8	46	65	Richmond, VA	(804) 359-9171
Herley Microwave Sys	o	HRLY	109	192	179	198	Lancaster, PA	(717) 397-2777
Hovnanian Enterprises	a	HOV	47	4	21	48	Red Bank, NJ	(201) 747-7800
JB Hunt Transportation Svcs	o	JBHT	40	22	17	17	Lowell, AR	(501) 659-8800
Hunt Manufacturing	n	HUN	117	60	61	57	Philadelphia, PA	(215) 732-7700
Inacomp Computer Centers	o	INAC	176	44	175	200	Troy, MI	(313) 649-0910
Inmac	o	INMC	27	51	104	76	Santa Clara, CA	(408) 727-1970
Intl Dairy Queen Cl A	o	INDQA	6	37	49	47	Minneapolis, MN	(612) 830-0200
Intertrans	o	ITRN	39	104	169	180	Irving, TX	(214) 574-6750
Isco	o	ISKO	161	186	178	153	Lincoln, NE	(402) 464-0231
Juno Lighting	o	JUNO	35	149	84	85	Des Plaines, IL	(312) 827-9880
J&J Snack Foods	o	JJSF	48	167	177	147	Pennsauken, NJ	(609) 665-9533
Kenan Transport	o	KTCO	153	154	162	168	Chapel Hill, NC	(919) 967-8221
King World Productions	n	KWP	8	29	14	9	Summit, NJ	(201) 522-0100
La Petite Academy	o	LPAI	92	73	83	39	Kansas City, MO	(816) 474-4750
P Leiner Nutritional Prods	a	PLIN	89	115	152	164	Torrance, CA	(213) 328-9610
LIN Broadcasting	o	LINB	177	33	5	1	New York, NY	(212) 765-1902
Liqui-Box	o	LIQB	114	118	114	118	Worthington, OH	(614) 888-9280
Luby's Cafeterias	n	LUB	78	24	20	18	San Antonio, TX	(512) 654-9000
Lumex	a	LUM	179	113	140	140	Bay Shore, NY	(516) 273-2200
MacNeal-Schwendler	a	MNS	60	177	101	60	Los Angeles, CA	(213) 258-9111
McClain Inds	o	MCCL	102	185	194	197	Utica, MI	(313) 264-3611
Medex	o	MDEX	136	188	183	176	Hilliard, OH	(614) 876-2413
Mentor	o	MNTR	154	170	142	109	Goleta, CA	(805) 967-3451
Merry-Go-Round Enterprises	o	MGRE	34	27	93	111	Towson, MD	(301) 828-1000
Microsemi	o	MSCC	72	159	126	124	Santa Ana, CA	(714) 979-8220
Milwaukee Insurance Group	o	MILW	147	156	127	166	Milwaukee, WI	(414) 271-0525

a: American Stock Exchange. n: New York Stock Exchange. o: over-the-counter.

Sources: William O'Neil & Co.; Forbes

Company Directory

Company	Exch	Ticker	Where they rank: 5-year average ROE	sales	profit	market value	City, state	Telephone
Morgan Keegan	n	MOR	181	107	110	132	Memphis, TN	(901) 524-4100
Morino Associates	o	MOAI	10	172	117	80	Vienna, VA	(703) 734-9494
Napco Security Systems	o	NSSC	36	181	156	160	Copiague, NY	(516) 842-9400
Network Systems	o	NSCO	187	84	31	36	Brooklyn Park, MN	(612) 424-4888
Neutrogena	o	NGNA	23	71	50	10	Los Angeles, CA	(213) 642-1150
New England Business Service	o	NEBS	51	43	27	25	Groton, MA	(617) 448-6111
New York Marine and Gen Ins	o	NYMG	120	123	55	91	New York, NY	(212) 953-0580
Nordson	o	NDSN	148	40	23	32	Westlake, OH	(216) 892-1580
Nuclear Support Services	o	NSSI	42	176	174	187	Hershey, PA	(717) 838-8125
Oakwood Homes	n	OH	188	103	119	143	Greensboro, NC	(919) 845-2100
Oil-Dri Corp of America	o	OILC	141	137	125	113	Chicago, IL	(312) 321-1515
Optical Radiation	o	ORCO	168	93	79	82	Azusa, CA	(818) 969-3344
Oshkosh B'Gosh Inc Cl A	o	GOSHA	29	30	18	21	Oshkosh, WI	(414) 231-8800
PAM Transportation Svcs	o	PTSI	12	145	154	157	Tontitown, AR	(501) 361-9111
Pancho's Mexican Buffet	o	PAMX	158	153	164	159	Fort Worth, TX	(817) 831-0081
Pansophic Systems	n	PNS	130	70	33	24	Oak Brook, IL	(312) 986-6000
Par Pharmaceutical	n	PRX	44	121	75	58	Spring Valley, NY	(914) 425-7100
Park Communications	o	PARC	169	63	42	19	Ithaca, NY	(607) 272-9020
Park Electrochemical	n	PKE	173	80	112	115	Lake Success, NY	(516) 354-4100
Paychex	o	PAYX	58	124	129	68	Rochester, NY	(716) 385-6666
PCS	o	PCSI	5	138	88	20	Scottsdale, AZ	(602) 391-4600
Pioneer Group	o	PIOG	28	136	63	103	Boston, MA	(617) 742-7825
Policy Mgmt Sys	o	PMSC	170	50	43	27	Columbia, SC	(803) 735-4000
T Rowe Price Assocs	o	TROW	18	72	34	59	Baltimore, MD	(301) 547-2000
Products Research & Chemical	n	PRC	182	98	103	78	Glendale, CA	(818) 240-2060
Pulaski Furniture	o	PLFC	162	88	137	139	Pulaski, VA	(703) 980-7330
QMS	n	AQM	110	85	96	72	Mobile, AL	(205) 633-4300
Quarex Inds	o	QRXI	174	56	200	199	Ridgewood, NY	(718) 821-0011
QuesTech	o	QTEC	93	144	187	192	McLean, VA	(703) 556-8666
Quick & Reilly Group	n	BQR	57	99	32	83	New York, NY	(212) 943-8686
Raven Industries	a	RAV	172	135	171	183	Sioux Falls, SD	(605) 336-2750
Raymond Corp	o	RAYM	184	65	109	121	Greene, NY	(607) 656-2311
Raymond James Financial	n	RJF	178	62	76	122	St Petersburg, FL	[illegible]13) 344-8200
Regal-Beloit	a	RBC	152	109	115	102	S Beloit, IL	(815) 389-1920
Republic American	o	RAWC	90	16	15	31	Encino, CA	(818) 990-9860
Richardson Electronics	o	RELL	134	87	90	73	Franklin Park, IL	(312) 232-6400
RLI	n	RLI	128	92	59	131	Peoria, IL	(309) 692-1000
RPM	o	RPOW	159	7	41	41	Medina, OH	(216) 225-3192
Russ Berrie and Co	n	RUS	33	19	11	14	Oakland, NJ	(201) 891-7500
Ryan's Family Steak House	o	RYAN	137	67	51	12	Greenville, SC	(803) 879-1000
SafeCard Services	o	SFCD	53	81	13	33	Fort Lauderdale, FL	(305) 491-2111
Safety-Kleen	n	SK	69	1	9	2	Elgin, IL	(312) 697-8460

a: American Stock Exchange. n: New York Stock Exchange. o: over-the-counter.

Sources: William O'Neil & Co.; Forbes

Company Directory

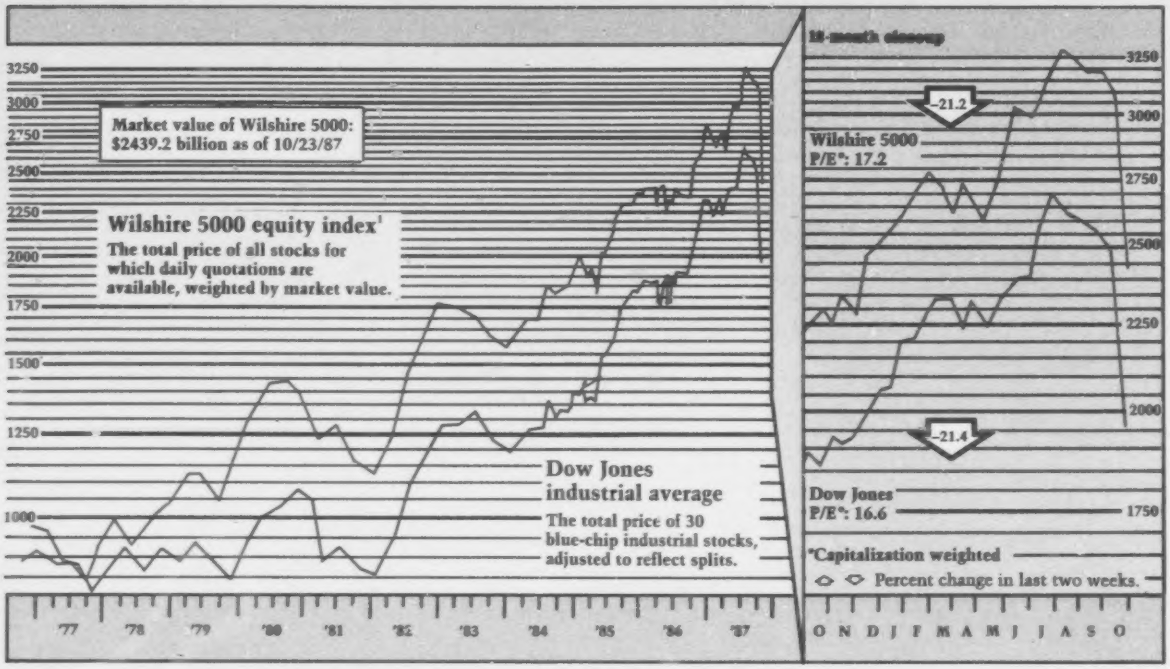
			Where they rank					
Company	Exch	Ticker	5-year average ROE	sales	profit	market value	City, state	Telephone
Sands Regent	o	SNDS	107	182	151	170	Reno, NV	(702) 348-2200
SAY Industries	o	SAYI	121	187	182	195	Leominster, MA	(617) 537-4001
Scan-Tron	o	SCNN	165	180	153	152	Tustin, CA	(714) 259-8887
Seaboard	a	SEB	123	3	19	93	Chestnut Hill, MA	(617) 332-8492
Sealed Air	n	SEE	156	31	36	35	Saddle Brook, NJ	(201) 791-7600
Seaman Furniture	o	SEAM	2	26	44	46	Uniondale, NY	(516) 222-7044
Sigma-Aldrich	o	SIAL	75	13	8	5	St Louis, MO	(314) 771-5765
Sikes Cl A	a	SKA	185	76	97	110	Lakeland, FL	(813) 687-7171
Simmons Airlines	o	SIMM	167	106	132	169	Chicago, IL	(312) 280-8222
Sippican	o	SOSI	138	142	149	149	Marion, MA	(617) 748-1160
Sizzler Restaurants Intl	o	SIZZ	131	18	47	42	Los Angeles, CA	(213) 827-2300
Spec's Music	o	SPEK	85	184	195	186	Miami, FL	(305) 592-7288
Stanline	o	STAN	49	131	186	193	Norwalk, CA	(213) 921-0966
Stockholder Sys Cl A	o	SSIAA	87	194	176	182	Atlanta, GA	(404) 441-3387
Strober Organization	o	STRB	11	97	131	138	Brooklyn, NY	(718) 875-9700
Stryker	o	STRY	101	68	64	29	Kalamazoo, MI	(616) 381-3811
Swift Energy	a	SFY	143	198	172	154	Houston, TX	(713) 874-2700
Syms	n	SYM	63	23	39	67	Lyndhurst, NJ	(201) 902-9600
Systematics	o	SYST	127	58	65	40	Little Rock, AR	(501) 223-5100
S&K Famous Brands	o	SKFB	157	161	192	188	Richmond, VA	(804) 346-2500
Technalysis	o	TECN	45	195	197	194	Minneapolis, MN	(612) 925-5900
Technitrol	a	TNL	98	164	145	151	Wyndmoor, PA	(215) 523-3950
Tech-Sym	n	TSY	180	91	86	112	Houston, TX	(713) 785-7790
Telecredit	o	TCRD	200	69	69	23	Los Angeles, CA	(213) 277-4061
Teleflex	a	TFX	126	20	29	37	Limerick, PA	(215) 948-5100
Telerate	n	TLR	61	11	3	6	New York, NY	(212) 938-5200
Telxon	o	TLXN	124	86	56	52	Akron, OH	(216) 867-3700
Tennant	o	TANT	166	54	78	90	Minneapolis, MN	(612) 540-1200
Thermo Instrument Sys	o	THIS	133	111	122	108	Waltham, MA	(617) 622-1000
Thor Industries	n	THO	24	52	107	114	Jackson Center, OH	(513) 596-6849
Timeplex	n	TIX	189	59	26	45	Woodcliff Lake, NJ	(201) 391-1111
Tootsie Roll Industries	n	TR	91	83	57	53	Chicago, IL	(312) 838-3400
Traditional Inds	o	TRAD	20	168	159	185	Westlake Village, CA	(818) 991-2773
Trans World Music	o	TWMC	13	57	99	69	Albany, NY	(518) 452-1242
Trus Joist	o	TJCO	163	28	70	95	Boise, ID	(208) 375-4450
UniFirst	n	UNF	144	61	81	100	Woburn, MA	(617) 933-5800
Uniforce Temporary Personnel	o	UNFR	64	126	184	156	New Hyde Park, NY	(516) 437-3300
Value Line	o	VALU	1	117	35	50	New York, NY	(212) 687-3965
Vanguard Technol Intl	a	VTI	7	151	170	167	Fairfax, VA	(703) 273-0500
Versa Technologies	o	VRSA	52	160	141	125	Racine, WI	(414) 632-6622
Vishay Intertechnology	n	VSH	145	140	73	87	Malvern, PA	(215) 644-1300
Welbilt	o	WELB	79	32	62	96	New Hyde Park, NY	(516) 365-5040

a: American Stock Exchange. n: New York Stock Exchange. o: over-the-counter.

Sources: William O'Neil & Co.; Forbes

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



If it was a fight, they would have stopped it. But securities markets need to stay open—witness the day of reckoning that Hong Kong only postponed by closing its trading for four days. When the final bell rang on Friday, Oct. 23, the market (as measured by the Wilshire index) was almost back to where it was at the start of the year and was down 26.5% from its Aug. 25 high.

The index has tumbled to 17.2 times latest 12-month earnings. Does that make stocks bargains now? Some cash-heavy mutual fund managers are still holding off. But Thomas Hodgman, president of Chemical Bank's Portfolio Group, anticipates opportunities in such defensive groups as financial services, Bell operating companies and small firms with good cash flow. "Look for cash-generating capabilities that could be used either to buy back stock or to help the firm weather any storm," he advises. Hodgman warns, however, that investors should wait until things settle.

Closeup On the Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	–23.0	–23.1	–24.1	–22.3	–25.5	–25.7
in last 52 weeks	0.1	2.3	6.5	1.4	0.7	–7.9

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	–23.0	–22.9	–27.0	–12.3	–28.0	–20.3	–12.3	–24.7	–27.2	–16.9	–22.2	–23.1
in last 52 weeks	–0.5	14.9	23.7	7.2	–5.3	–6.1	–3.6	25.3	20.9	–1.0	–1.0	10.3

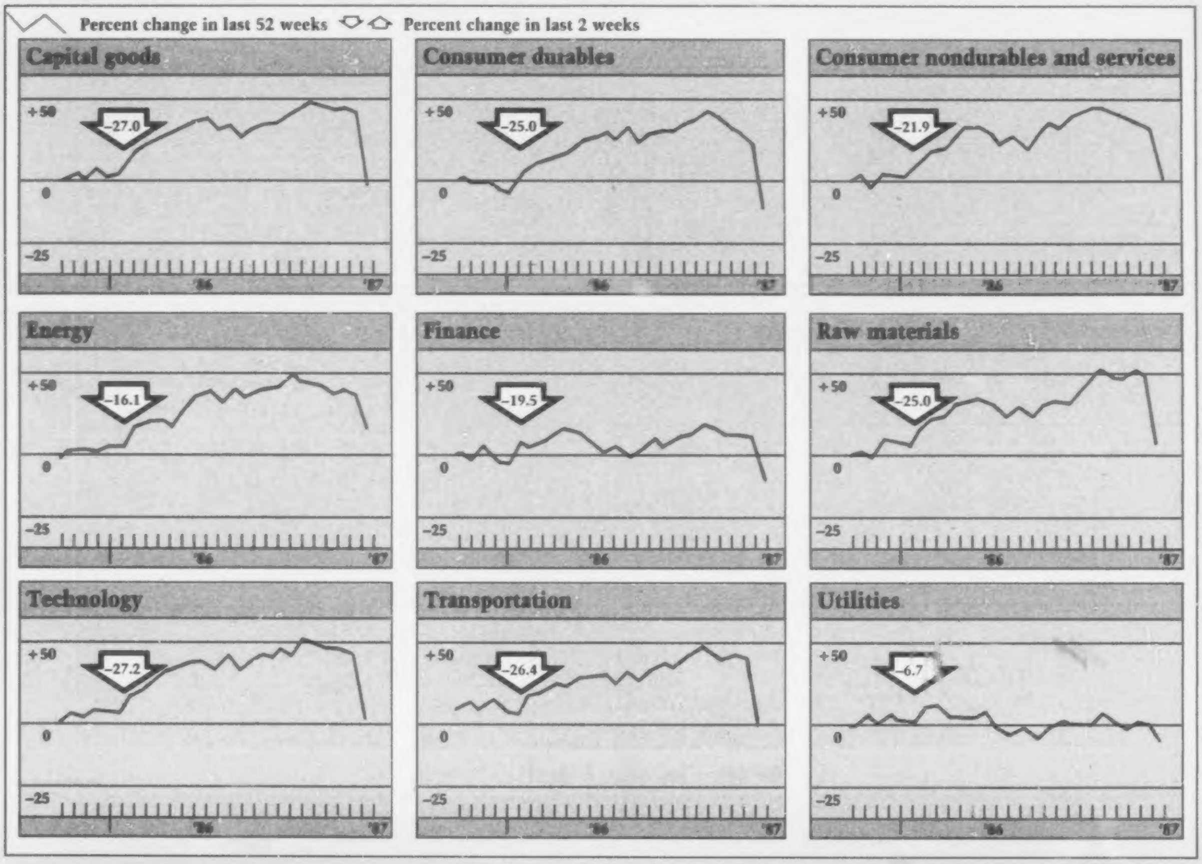
[1] Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2] Based on sales. [3] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 10/23/87. Prepared by Wilshire Associates, Santa Monica, Calif.

Gav French

Where the Action Is

Nowhere to hide. Cyclical stocks took the brunt of the heavy selloff, but no group, including gold stocks, was unscathed. Hardest hit were technology, capital goods, consumer durables, raw materials and transportation. These groups lost at least a quarter of their market value in two weeks. IBM alone posted more than a $15 billion decline in market value. The combined capitalization of General Motors, Ford and Chrysler fell more than $13 billion. Energy and utilities were the only two groups to lose less than 20%. Just two weeks ago all nine Wilshire sectors were posting trailing 52-week gains, ranging from 50% (capital goods) to 5% (utilities). Now only two sectors (raw materials and energy) are up more than 10% for the year, while four groups show declines.



What the Analysts Think

A floor or ceiling? With the sharp decline in stock prices, the Forbes Sales 500 are now priced at 16.3 times latest 12-month earnings and 9.9 times estimated 1988 earnings. Two weeks ago the respective multiples were 20.4 and 12.4. Many estimates, however, don't reflect the market's recent woes. Prediction: Estimates are headed lower.

Forecasting the Forbes Sales 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.28	16.3
1987 estimates	2.89	12.9
1988 estimates	3.75	9.9

Rank based on change in estimate	Sector	Estimated 1987 EPS	Estimated 1987 P/E	% change in 1987 estimate in 2 weeks	% change in 1987 estimate in 4 weeks
1	Raw materials	$2.33	12.8	1.27%	1.17%
2	Capital goods	2.08	16.1	0.65	0.74
3	Consumer durables	4.47	9.9	0.39	0.25
4	Utilities	2.37	10.1	-0.10	-0.23
5	Technology	2.50	13.3	-0.14	-0.60
6	Consumer nondurables	2.32	13.6	-0.34	-0.44
7	Energy	2.46	15.2	-0.40	-0.44
8	Transportation	2.18	13.5	-1.41	-3.64
9	Finance	1.53	16.5	-2.16	-3.00

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continually by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 10/23/87. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

THE GOLD RUSH IN NEVADA

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NOVEMBER 30, 1987

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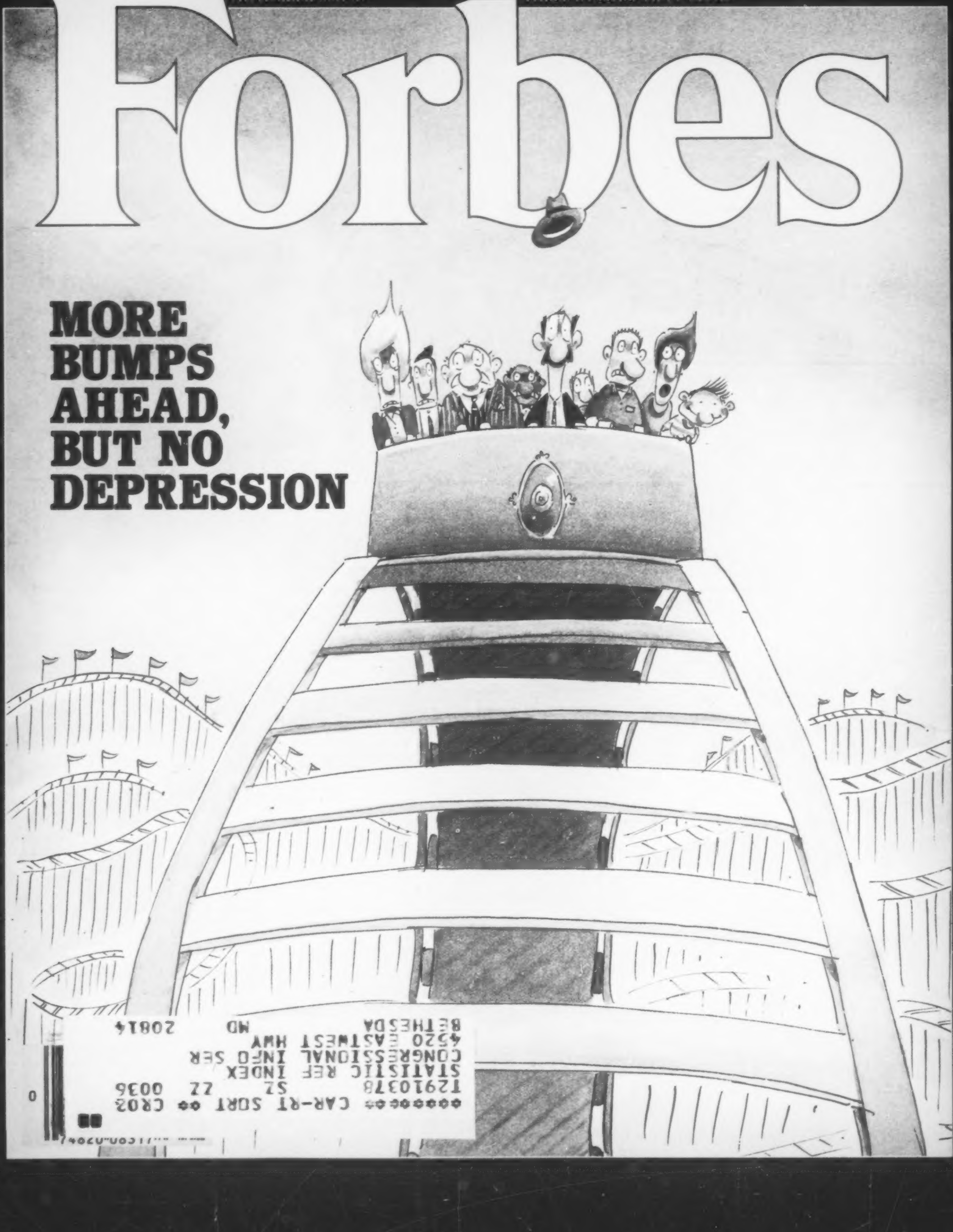
Forbes



MORE BUMPS AHEAD, BUT NO DEPRESSION

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Forbes

NOVEMBER 30, 1987
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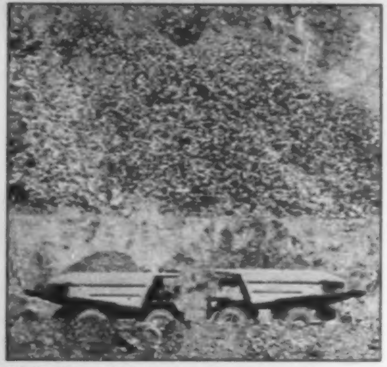

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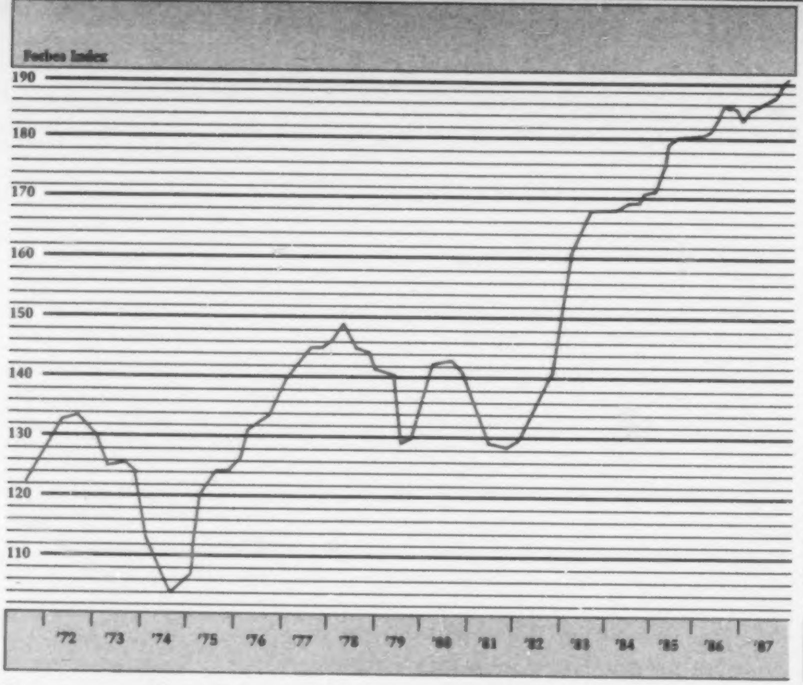
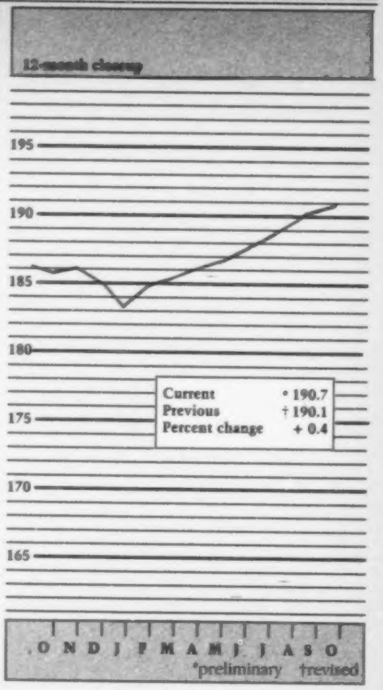
The Forbes Index





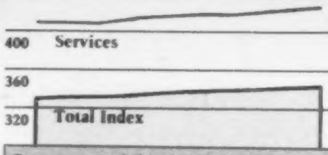
Too soon to tell. Wall Street's woes are expected to do some damage to the economy. But for now, at least, the longest peacetime expansion in history continues. Over the most recent two-week period the Forbes Index went up 0.4%, its ninth consecutive monthly increase. Since January the Index has grown at a 4% annual rate.

Two components boosted the Index: The trailing six-month total for new unemployment claims sank 2.6% from September to October, and personal income rose 0.6% in September, to an annual figure of $2.242 trillion. Only one sector went down: The ratio of manufacturers' new durable goods orders (three months through September) to inventories (September) fell 0.5%, largely from softness in military orders.

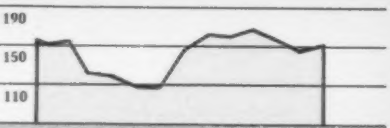
The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

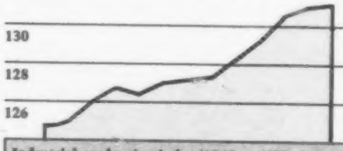
To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



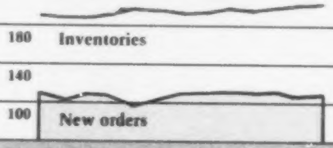
Consumer price indexes (1967 = 100) all urban consumers, unadjusted (Dept. of Labor)



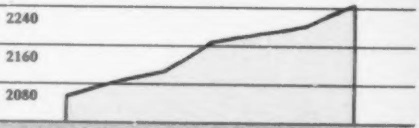
New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)



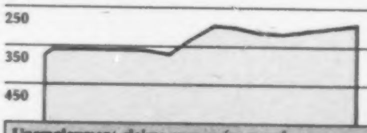
Industrial production index (1967 = 100) seasonally adjusted (Federal Reserve)



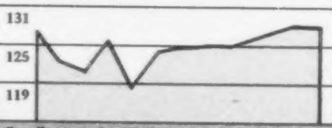
Manufacturers' new orders and inventories ($billions) seasonally (Dept. of Commerce)



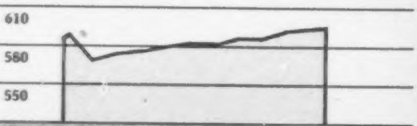
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)



Retail store sales ($billions) seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

How's Rupert Murdoch's Fox Broadcasting television network doing after a year on the air? It's still in the red, but it's far from dead.

A different brand of entertainment

By Deirdre Fanning

If you're tired of the same old prime-time stuff about handsome lawyers or private eyes in $80,000 sports cars, then try tuning in that erstwhile urchin of the airwaves, Fox Broadcasting Co. On 121 different stations around the country, Rupert Murdoch's fledgling fourth network is serving up a different brand of entertainment that is not to everybody's taste. But Fox is garnering an audience of the kind that many advertisers want to reach.

Want to watch women inmates cavort in a prison? Or a sitcom about a President of the U.S. who turns out to be a jerk? Shows like these, running counter to the trend of programs on the other networks, are capturing the interest of a segment of television viewers that Madison Avenue covets: 18-to-49-year-olds with plenty of ready cash, a desire to consume and buying habits less set in stone than those of their elders.

By targeting this audience, Fox is successfully doing what a year ago seemed impossible: launching a start-from-scratch television network to take on CBS, NBC and ABC. The shows are offbeat but fresh and funny, and the counterprogramming is effective. The numbers, while by no means great, are roughly in line with what Fox had predicted for first-year start-up losses. A careful look at the figures suggests they may actually be better than is generally realized.

The strategy Fox has mapped out is straightforward: two nights of prime time programming weekly, followed by more nights of programming as the audience grows. The campaign is being directed by Fox Chairman Barry Diller and his two top aides, President Jamie Kellner and programming chief Garth Ancier. Says Diller, "All we need is one show that works, and we've got that already. The wind is at our backs."

Fox' focus of the moment: Sundays from 7 p.m. to 10 p.m., traditionally one of the strongest time slots of the week for the networks. This is the one period of the week when American families are most likely to gather together around the television, and for years the networks have battled for audience shares with programming like CBS' *60 Minutes*, ABC's *Disney Sunday Movie* and NBC's *Family Ties*.

Against those shows, Fox is throwing expensive, original programming all its own. There's *21 Jump Street*, an action series with young cops posing as teenagers. And *Married . . . With Children*, a kind of white-collar Archie Bunker sitcom. And the *Tracey Ullman Show*, a variety program featuring a quirky British comedienne.

All this costs money, and for now at least, Fox Broadcasting remains in the red, having lost somewhere between $35 million and $50 million since it began network programming 13 months ago.

But that programming is also bringing in, by Forbes' estimate, somewhere around $20 million annually in increased advertising revenue to Murdoch's seven owned-and-operated television stations.* With TV stations currently selling for 11-to-12 times operating cash flow, the extra revenue has increased the value of those seven stations, we estimate, by as much as $220 million—maybe somewhat less since the market crash but still a formidable gain. In other words, what is an income loss for Fox Broadcasting

---

** KDAF Dallas, KRIV Houston, KTTV Los Angeles, WFLD Chicago, WFXT Boston, WNYW New York, WTTG Washington, D.C.*

Paul Fusco/Magnum

Fox Chairman Barry Diller
"The wind is at our backs."

Co., is a potential balance sheet gain for Murdoch's Australia-based News Corp. Ltd., the ultimate owner of the stations.

Minnow versus whales

Fox' own stations are doing fine, but as a television network it still has a long way to go.

Network	Weekly programming hours	Current affiliates	—1986 revenues ($mil)— network	owned & operated
Fox	10	121	$40*	$345-350*
ABC	76	221	2,084	651
CBS	110	210	2,270	355
NBC	90	208	2,518	468

*For the period 7/86 to 6/87.

Sources for estimates: Broadcasting *magazine; First Boston Corp.; networks.*

Advertisers are attracted to Fox because of the composition of its audience. Most people think that commercial time is sold on television solely on the basis of household ratings—that is, the percentage of the nation's 88.6 million television-viewing households that are likely to tune into a particular program. But advertisers, who were initially promised an overall household rating of 6 by Fox, also buy time on shows based on the demographic profile of the audience watching that show. Thus, a "6 rating" for a show like Fox' *21 Jump Street* is less important to an advertiser like Coca-Cola or McDonald's than the fact that 90% of that audience, or about 4.75 million viewers, are aged 12 through 34—a key target audience for those advertisers.

Only a few of Fox' shows, most notably *21 Jump Street* and *Werewolf,* have garnered ratings of 6 or higher. Others, like the current *Second Chance* and the since-canceled *Late Show Starring Joan Rivers,* have consistently turned in sub-par 2s and 3s. But while such ratings have been somewhat disappointing, Fox has been delivering strong demographics. Says John Sisk, a senior vice president at J. Walter Thompson, "An advertiser would rather convert an 18-year-old to a new soap than take on some old fogey who's used the same soap for years and years."

A survey of the demographics for a recent Sunday night edition of *21 Jump Street* shows the new network doing well in the teen category, with a 17% share, compared with CBS' 7% share, NBC's 27% slice and ABC's 25% piece. Not bad for a network that reaches 13% fewer homes than do the big three, and that, just over a year ago, did not exist.

Fox' key to distributing these shows is the network of 121 "affiliate" stations around the country. As do the other networks, Fox pays these affiliates to carry its programming. Fox compensates the affiliates by paying them a percentage of the total network revenues, using a sliding scale to adjust the percentage for each affiliate's market share. In addition, Fox gives the affiliates six 30-second spots per hour to sell to their own advertisers.

Result? Most Fox affiliates are already making more money off the network programming than if they had stayed independent. Fox paid dearly for the rights to broadcast the television Emmy awards earlier this year, and poor national ratings made the venture look a loser. But the deal was a bonanza for many of the network's affiliates and made them glad to be part of Fox. "We made 20 times the income we'd normally make in that spot, carrying the Emmys," exclaims Martin Colby, general manager of XETV in San Diego.

In return for the increased rates, however, the affiliates pay a price: They lose some of their programming independence. On the afternoon of the 500-point Monday stock market collapse last month, Murdoch and Diller decided to air a special 30-minute news segment on the crash at 11 p.m. Diller thought the show, the first national newscast for Fox, would be a great way to test the waters for an eventual Fox news program.

The affiliates thought otherwise, and as late as 3:30 that afternoon, the plans for airing the broadcast were still up in the air. In the end, the show was offered to the affiliates as an option, but Diller had made his point: A real network has to be able to throw on a news show to compete.

The Fox network still has problems aplenty. Though they cover 86% of the country, some 75% of the affiliates are weak-sister UHF stations, which have limited range and signals that often do not come in clearly.

"This is a problem, no question," concedes Diller. But, he adds, cable systems, which serve just under half the television-viewing homes in the country, by law must carry UHF signals in their viewing area. With cable transmission, UHF reception is as strong as that of VHF.

Murdoch has been patient with startup enterprises in the past: One of his Australian newspapers, the *Australian,* suffered losses for 20 straight years before it turned a profit, and through it all Murdoch hung tough. With the Fox network, of course, Murdoch is taking a risk on a far grander scale, and his empire is already highly leveraged with debt. But the betting is he won't lose his nerve now, with his network off to a promising, if stormy, start. ■

Tom Zimberoff/Gamma-Liaison

LATE SHOW
GUESTS--
PLEASE
SHOW ID

Network President Jamie Kellner (left) *and programming chief Garth Ancier*
Counterprogramming that has captured the attention of Madison Ave.

Fund managers are trading for as little as six or eight times 1987 earnings. Can prospects for the industry really be that bad?

Down, but hardly out

By Ruth Simon

WAS BLACK MONDAY a death warrant for fund management companies? It's easy to think so when you look at the prices of fund company shares. Dreyfus, which weathered the month of October with a mere 2% shrinkage in mutual fund assets under management, is trading 46% below its peak. Eaton Vance, at a recent 15½, is going for less than half its 52-week high and at only six times likely 1987 earnings.

Earnings prospects were dimmed by the crash. But that's not the same as saying earnings will decline for all or even most fund operators. Unlike the brokerage industry, the fund industry emerged from the crash in relatively good shape. The fund companies don't have big losses from trading on their own accounts or from customers failing to meet margin calls. Some of them have profit margins you could drive a truck through. A decline in revenue will not put them in the red.

The difference is partly a matter of how the industry makes its money. Fund sponsors depend largely on management fees—typically 0.4% to 0.75% of fund assets annually (money market funds fall at the low end). Those fees drop when assets decline. But, unlike commissions, they don't vanish when sales dry up.

That doesn't mean the industry hasn't taken its licks. Total fund assets fell 5.8%, to $798 billion, between Aug. 1 and Oct. 23, according to Joel Rosenthal, head of Strategic Insight. That estimate includes $256 billion for money markets and $461 billion for stock, bond and other long-term funds.

Management companies with large equity funds took the biggest hits. At T. Rowe Price, fund assets sank 12%, to about $13 billion, between Sept. 30 and Oct. 30. Eaton Vance's fund assets skidded 8% during the same period. Firms like Dreyfus that specialize in fixed-income and money-market products were relatively unscathed, but their assets declined in March when bond prices fell.

Sales are indeed leveling off, but that was true even before the crash. Sales less redemptions of long-term funds totaled $78.6 billion for the first nine months of 1987, according to the Investment Company Institute. That's off about 30% from the same period last year. Redemptions outpaced sales in September by $1.1 billion, the first time in seven years net sales have been negative. "I think the consumer was fairly full up," says Dreyfus Chairman Howard Stein.

The good news was that the crash didn't spur most investors to cash in their shares. Preliminary reports show that nearly all the losses reflected falling equity prices, with most fund companies reporting withdrawals at less than 2% of assets. "Most people I've talked to have been surprised at what a nonevent this has been for the mutual fund industry," says Curt Jones, treasurer of Boston-based Eaton Vance.

Some equity funds even saw inflows after the panic waned. "We started to see some money coming [back] into stock and bond funds," a T. Rowe Price spokesman said a week after the crash. "People started to feel there were opportunities there."

The story is a bit different at the second-largest fund operator, privately held Fidelity Investments. At this aggressive marketer, it was easy come, easy go. Assets of the firm's venerable Magellan Fund fell 31% in October, to $7.9 billion, as a steep fall in the fund's net asset value was exacerbated by the redemption of 8%, or 15 million, of its shares. And many customers, lured by the prospect of switching among Fidelity's sector funds, switched out of them altogether, forcing fund managers to liquidate holdings as the market dropped.

So, are fund operators buys? Thomas Ackerman, director of research for Fechtor, Detwiler & Co., thinks so, notwithstanding that he has recently trimmed earnings estimates for most of the fund companies he tracks. "We're going to see pretty flattish earnings for most companies," he says—in comparison with the dizzying growth of the past five years. In the table at left, Ackerman shows small earnings gains for five companies. He assumed very modest net sales for the next two months and flat stock and bond prices for next year.

Because sales were strong through April, most companies should end 1987 with as much in assets—and thus earning power—as at the end of 1986. Helping next year's earnings is a cut in the corporate income tax, which will boost earnings by 5% to 15%. ■

Betting on the house

Earnings are plateauing at fund management companies, but the stocks still look rather cheap. The market's price/earnings multiple is 13.

Fund	Assets[1] ($billions)	Earnings per share 1987	Earnings per share 1988	—Price— recent	—Price— 52-week	P/E on 1987 est
Amer Capital Mgt	$17.7	$1.25	$1.00	10½	24⅞– 9	8
Colonial Group	9.1	1.65	1.90	9½	28 – 7½	6
Criterion Group[2]	12.1	0.75	0.75	7	21¼– 6⅝	9
Dreyfus	38.2	2.25	2.35	24½	45½–16	11
Eaton Vance[3]	6.4	2.70	3.00	15½	32¾–12⅞	6
Franklin Resources[4]	33.0	2.21[5]	2.40	16¾	45⅝–12	8
Pioneer Group	7.5	2.15	1.95	14¾	30¼–13	7
T. Rowe Price Assoc	24.4	2.70	3.10	20½	51 –17½	8

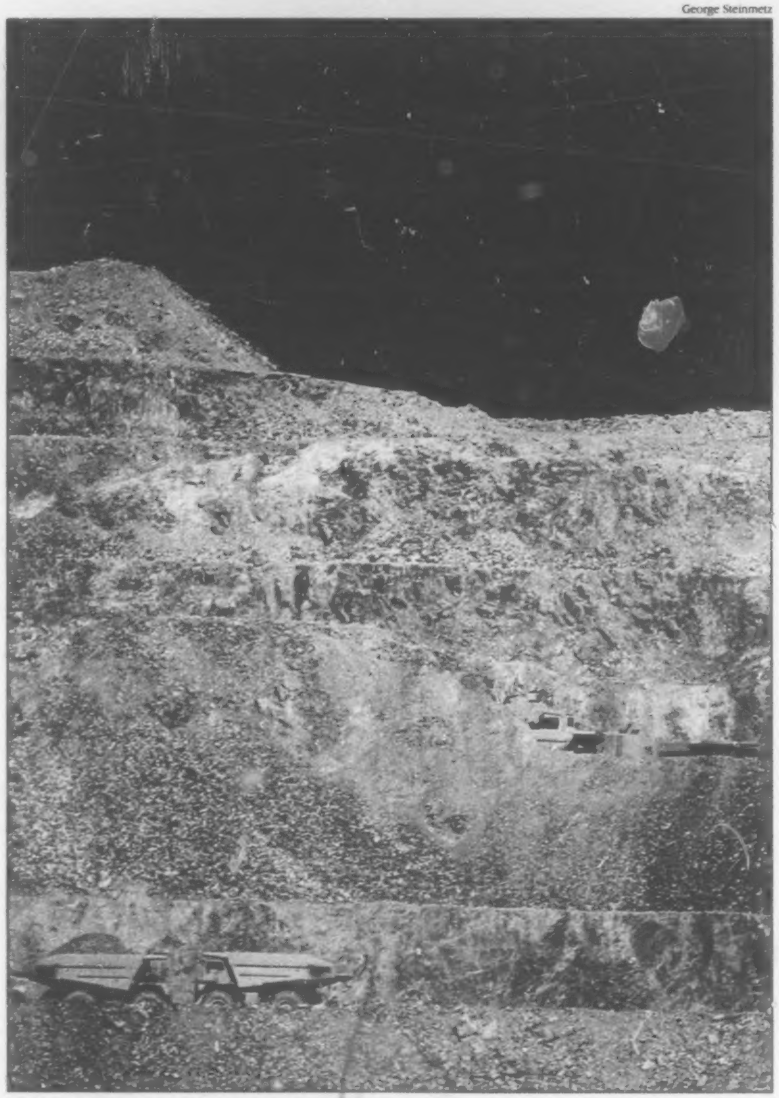
[1] As of 9/30. [2] Estimates from Mabon, Nugent & Co. [3] Fiscal year ends 10/31. [4] Fiscal year ends 9/31. [5] Actual.

Source: Earnings estimates from Fechtor, Detwiler & Co. unless otherwise noted.

Las Vegas? That isn't where the action is in Nevada today. Move out into the hills, where new gold finds are creating fortunes beyond the forty-niners' wildest dreams.

There really is gold in them thar hills

George Steinmetz



Echo Bay's Round Mountain mine

In the mid-1970s, uneconomic. Today, a capital-intensive bonanza.

By Howard Rudnitsky and Jonathan Clements

THE RECENT DROP IN THE PRICE of gold and the heavy selloff of gold stocks has done nothing to throw cold water on Nevada's gold boom. For now, the happy participants take the news in stride. The Western world's conversion to easier money could spell inflation down the road—and inflation is good news for gold. So what if some Hong Kong investors were forced to dump gold last month? This soon may pass.

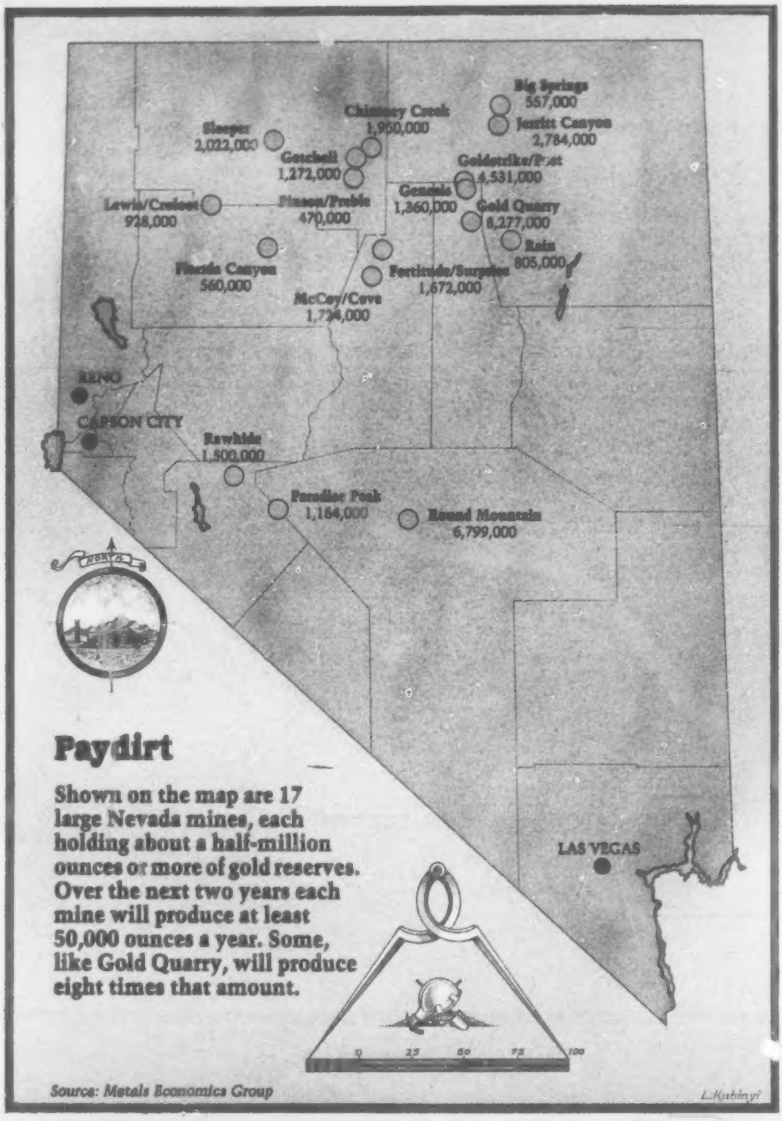
So Nevada's gold rush continues apace. Not even the state's great silver rush of over a hundred years ago comes close to matching the current gold mining boom in Nevada's barren hills and valleys.

Why now? Aren't gold prices below their early 1980s peak? Yes, but they're still well above the prices of the late 1970s. In addition, improved technology is lowering costs of gold mining.

The improvements made since 1979 in recovery processes like heap leaching have made pay dirt of once-uneconomic ore. Today ore that contains as little as 0.015 ounces of gold per ton can be profitable. Just eight years ago you needed ore seven times as rich.

Some individuals are getting wealthy—enormously so—off this action. Roy Ash and the heirs of the late Charles (Tex) Thornton, for example. Back in the early 1960s, Ash and Thornton each paid $1.25 million for T Lazy S, a 223,000-acre cattle ranch stretching from Battle Mountain to Carlin, Nev. As these things go, the ranch was a good tax shelter. Better yet, the investment turned out years later to be sitting atop the Gold Quarry deposit, where Newmont Mining Corp. was extensively exploring. The ranch and certain mineral rights were sold to Newmont in 1982 for $35 million—plus an unusually large 16.2% gross revenue royalty on all minerals produced.

Today Gold Quarry, mined by Newmont Mining's 90%-owned Newmont Gold, has 8.3 million proven and probable ounces of gold. In 1988 a little under 600,000 ounces will be produced from Gold Quarry, entitling the royalty holders to at least $25 million. Ash and Thornton's heirs could realize about $300 million to $350 million in royalties from Gold Quarry over the next 15 years—unless a Newmont suit filed at the end of 1986 against the partners succeeds in slowing down the rate of production. Ash and Thornton's estate have coun-


Big Springs
557,000
Jerritt Canyon
2,784,000
Chimney Creek
1,950,000
Sleeper
2,022,000
Getchell
1,272,000
Goldstrike/Post
4,531,000
Genesis
1,360,000
Lewis/Crofoot
928,000
Pinson/Preble
470,000
Gold Quarry
8,277,000
Rain
805,000
Florida Canyon
560,000
Fortitude/Surprise
1,672,000
McCoy/Cove
1,724,000
RENO
CARSON CITY
Rawhide
1,500,000
Paradise Peak
1,164,000
Round Mountain
6,799,000
NORTH
LAS VEGAS
0
25
50
75
100
L.Kubinyi

Paydirt

Shown on the map are 17 large Nevada mines, each holding about a half-million ounces or more of gold reserves. Over the next two years each mine will produce at least 50,000 ounces a year. Some, like Gold Quarry, will produce eight times that amount.

Source: Metals Economics Group

George Steinmetz

Round Mountain's gold heap-leaching facility, the world's largest
Environmentalists have not been a problem.

tersued, threatening rescission of the deal if Newmont cuts back.

Virtually all the gold mined in Nevada thus far has been from lower-cost, open-pit mines. Mining analysts estimate that by the early 1990s, when the companies will begin deep-mining, Nevada's gold reserves could swell to 50 million ounces. The figure is up from less than 20 million ounces in the late Seventies. With Nevada's gold production expected to nearly double by 1990, to some 4 million ounces, the state is fast becoming a world-class gold-producing region. Nevada already has enabled the U.S.—which produced 3.7 million ounces last year—to pass Canada and become the world's third-largest producer, still well behind South Africa and the Soviet Union.

Which are the big corporate winners? Newmont Mining, of course, for one. Newmont bought Gold Quarry from Ash and Thornton. The mine went into production in early 1985. In a few years production at Gold Quarry and its other Carlin trend mines is expected to be well in excess of 1 million ounces. Assuming $450 an ounce, the production is likely to be worth about $300 million, more than $4 per Newmont Mining share net of operating costs.

"That kind of production," says Graham Birch, gold mining analyst at Britain's Kleinwort Grieveson Securities, "is on a scale with some of South Africa's largest mines."

Edmonton, Canada-based Echo Bay Mines this year found a large gold deposit—the Cove deposit—only a mile or so away from its existing McCoy mine operation in central Nevada (Forbes, *Oct. 5*). Already the company has 1.7 million ounces of gold reserves there. At today's prices, Echo Bay's 1989 Nevada production alone could be worth over $1 per Echo Bay share. With much of its 75-square-mile McCoy/Cove property unexplored, by early next year the company expects its gold reserves to double.

Amax Gold put its Sleeper mine, situated in Humboldt County, Nev., into production in early 1986. Further exploration indicates there are at least 2 million ounces of gold reserves on the property. In fact, Sleeper is the U.S.' lowest-cost large gold mine, with cash costs estimated at well under $100 an ounce this year, and rising to $130 as lower-grade ore is mined.

FMC Gold found over 1 million ounces of gold at Paradise Peak near the town of Gabbs, southeast of Reno. At a cost of $92 million, Paradise Peak went into production in April 1986. Today it's producing 175,000 ounces of gold a year at a cash cost of just $111 an ounce.

The Nevada gold rush has also attracted Canadian entrepreneurs and promoters like Toronto's frenetic financial operator Peter Munk, 60, who is back in the chips. He had a somewhat checkered career: founding a consumer electronics firm that eventually went bust, and trying his hand at hotel development in Fiji and in Egypt, where he met the Khashoggi brothers.

Back in Canada in the early Eighties, with money from the Khashoggis and other investors, Munk grabbed control of smallish Barrick Resources. In 1984 he took over Quebec's Camflo Mining. More than a mine, he got a highly regarded gold mining operator, Robert Smith, with whom he formed American Barrick. (The Khashoggi family sold out last year.)

Shortly after joining Munk, Smith came down to the U.S. looking for gold properties. About a year later American Barrick acquired the Mercur gold property in Utah for $31 million from Texaco.

Mercur produced over 110,000 ounces of gold in 1986 for Barrick. That helped Barrick to pay nearly $80 million for Goldstrike—a Carlin trend play—early this year. The price was thought very high. But already Goldstrike's proven and probable reserves come to 3.4 million ounces, worth about $1 billion.

Peter Munk today owns some 1.6 million shares of American Barrick, now worth over $25 million. And all told, through the Toronto-based Horsham Corp., he holds voting control over 7.4 million American Barrick shares worth over $100 million.

Two prospectors who struck it rich in the Carlin are geologists John Livermore and Peter Galli. Back in the early 1960s Livermore found the first Carlin area gold deposit for Newmont Mining. Newmont posted Livermore to Canada in the late 1960s. He left Newmont in 1970 and with Galli and four Canadian mining companies founded the Canadian investment syndicate, Cordex, to finance him down in the U.S. Shortly after, he and Galli, who had been head of exploration for Union Carbide in the Sixties, found the Pinson deposit, but it wasn't developed until 1980 when gold prices started to take off. They managed to repay the $17 million bank loan needed to open the mine in less than 14 months. The Pinson mine and another mine they discov-

The talk of Round Mountain

Production workers at mines like Hycroft Resources' Crofoot and Lewis in northwest Nevada are now getting nearly $1,200 for working ten days on and four days off. But the crew at Donna's Diner in Battle Mountain, an old mining town, has seen prior mineral booms come and go. In the 1970s Battle Mountain proclaimed itself the Barite Capital of the World, when that mineral was in great demand. But the oil recession of the 1980s and competition from Chinese barite killed that boom. A copper boomlet ended in the late 1970s, when prices collapsed.

"There's no confidence in mining," says independent miner Tom Norris, 66. "J.C. Penney or Wal-Mart aren't going to move into this area. I don't blame them."

George Steinmetz

Round Mountain (pop. 900)
Moving a town as well as a mountain.

At the moment the local economies of Battle Mountain (pop. 4,000) and Round Mountain (900) are beginning to bubble. Battle Mountain supports eight gas stations, five restaurants, four motels, three grocery stores and two "guest ranches," as the town's brothels are called. Miners earn as much as $14 an hour, plus overtime. The mining companies are running up against labor shortages. Last year Battle Mountain Gold Co. gave every hourly worker 50 shares of stock—recently worth 13¼—if they stuck with the company through to year's end.

Despite the rising production, however, there are no major population inflows to the area. The reason: Nevada gold mining is capital- not labor-intensive.

The population of Round Mountain, at the base of Echo Bay's,Homestake Mining's and Case,Pomeroy's Round Mountain mine, hasn't changed much over the years. But the town's location is about to. With the mine starting to encroach on the town, Echo Bay has encouraged Round Mountain's residents to move 5 miles to a new town named Hadley, after mining executive Hadley Case *(see story).* There the citizens will have a nine-hole golf course and a pool.

Having watched booms ebb and flow, the miners take such change in stride. David Naccarati's great-grandfather emigrated from Italy to mine, and he and his family have been mining ever since. Naccarati himself has moved often, growing up in Arizona and traveling to South America to ride the copper boom. Now he is manager of Echo Bay's McCoy mine. "Since the early 1970s, because of the swings in commodity prices, you've got to move to stay in work," says Naccarati philosophically, over breakfast at Donna's. "For the people who have been in the mining business, it's just ups and downs. It's life."—**H.R. and J.C.**

George Steinmetz

Ore on its way to be crushed
A far cry from Nevada's pick and shovel days.

ered in Carlin have since thrown off $65 million in profits to the partners. Livermore and Galli together have a 20% interest.

Among Nevada's gold fortunes, no one tops publicity-shy geologist Hadley Case, 78. He and his family control a privately owned investment company, Case, Pomeroy & Co., Inc., of New York City, which has a 25% interest in the largest gold heap-leaching mine in North America, Nevada's Round Mountain.

Round Mountain's open-pit mine had been owned by Case, Pomeroy, Felmont Oil—an oil and mining company Case had headed for several decades—and the Copper Range Co. In 1984 Felmont Oil, of which Case, Pomeroy held almost 50%, was sold to Homestake Mining for about $350 million in stock. That gave Case, Pomeroy 11% of Homestake's stock.

Then oil and gas prices collapsed. In early 1985 Echo Bay Mines came into the picture. Copper Range's parent, an oil company, wanted out of mining. Case, a director at Echo Bay's parent and a former Copper Range director, knew Echo executives Robert Calman and John Zigarlick. The connection seemed right. So Echo Bay went ahead and acquired Copper Range.

Echo Bay, which paid $55 million for its 50% stake in Round Mountain, quickly proved that the gold heap-leaching process could be economically used to extract gold from the lower ore as well as the more accessible upper ore. Round Mountain's proven and probable gold reserves are now almost 7 million ounces. Case, Pomeroy's one-quarter share is now estimated to be worth a minimum of $250 million. In addition, Case, Pomeroy's shareholdings in Homestake Mining today are worth some $113 million.

But what would a gold rush be without hype? Wasn't it Mark Twain who defined a gold mine as a hole in the ground owned by a liar?

Lying, surely, is too strong. But aggressive promotion isn't.

Canada's smallish Cornucopia Resources has close to 100,000 acres of land in the area known as the Ivanhoe property. It boasts about the value of its deep-drilling acreage because other companies, like American Barrick, did some deep drilling nearby. American Barrick, however, insists it still has lots of deep drilling to do to see just how much is there, and continues that it will be at least three years

Don't cry "Eureka" yet

Below, 11 publicly traded U.S. and Canadian companies with gold plays in Nevada. As gold prices and production rose in 1986 and 1987, shares in some gold companies doubled or even tripled in value, only to fall 30% to 50% in last month's market crash. But don't rush out to buy them. If gold prices continue their recent slide, share prices could easily fall further. If you're thinking of playing the Nevada gold rush, look for those companies with rising gold output, low operating costs and strong balance sheets.

Company	Total reserves* (mil/oz)	Operating cash flow ($thou)	Cash ($thou)	Long-term debt (1987 E) ($thou)	Cash cost per ounce*	Range since 1/1/86 high	low	recent
Amax Gold (NYSE)	2.40	$38,800	$20,620†	$0	$80	32	14	18⅛
American Barrick (NYSE)	5.76	30,666[1]	250,000	198,000	232	30⅜	3 3/16	16
Battle Mountain (NYSE)	2.60	57,100	50,000	0	126	29⅞	7¼	13¼
Echo Bay Mines (Amex)	6.80	76,564	36,641	70,735	201	30⅛	6 5/16	17
FMC Gold (NYSE)	1.98	68,637[1]	5,000	42,500	137	17½	9	10¼
Freeport-McMoRan Gold (NYSE)	2.28	40,930[1]	57,586	0	165	23⅞	6¾	11
Galactic Resources (o-t-c)	1.00	7,622[1]	12,686	24,436	—‡	13¾	4⅝	6
Granges Exploration (Amex)	1.08	NM	20,158	27,180	—‡	14¾	4⅜	5¼
Homestake Mining (NYSE)	10.20	107,300	161,500	35,000	276	48⅛	20⅛	27
Newmont Gold (NYSE)	5.60	93,892	62,811	0	195	48¾	8⅝	29⅝
Pegasus Gold (o-t-c)	3.42	30,000	52,000	50,000	239	26⅜	5⅜	13⅜

*Includes companies' entire gold operation. †Includes intercompany receivables. ‡Mines in start-up phase.
[1] Nine-month figure annualized. NM: Not meaningful.

before it realizes any gold production from deep drilling.

Earlier this year the Texas State Securities Board cracked down on San Antonio-based Havilah Mining & Exploration. It was selling investors $89,500 stakes in land of dubious value. The company claimed it had four gold properties, but investigators could find only one, in Nevada. And "certified assays" for that mine had been prepared by the seller of the property lease. Ten months ago Havilah was forced by the authorities to offer refunds to all its Texas investors. State securities fraud investigators say the San Antonio operation is only the first of many gold scam crackdowns to come.

In any case, producing gold takes time and experience. Ask Robert Friedland, the flamboyant founder of Vancouver-based Galactic Resources, which has rights to a 50% working interest in Cornucopia Resources' Ivanhoe property. Last year Friedland hastily put his Summitville gold mine into production, ran into all sorts of problems, and took a $21 million writedown. This year, Summitville will produce 75,000 ounces.

This past summer Friedland teamed up with T. Boone Pickens in Pickens' attempt to take over giant Newmont Mining. The raid appears to have fizzled. Newmont wound up paying a special dividend of $33 per share. For Galactic that meant a $21 million dividend. However, it is looking at a paper loss of over $20 million on the Newmont shares it still holds. And Galactic's market value, which had run up sharply over the past year, to over $400 million, has since been slashed, to $180 million.

Another colorful character with a Nevada presence is legendary Canadian promoter Murray Pezim, known in mining circles as the Pez. During the past two decades the Pez left lots of mining investors stranded in money-losing Vancouver exchange mining stocks. But he struck it rich with the Hemlo gold mine, in Ontario.

Through Golden Nevada, another Vancouver company he controls, the Pez is now touting the 65,000 acres of land the Maggie Creek Ranch holds as "the second-biggest property" in the rich Carlin belt trend. Unlike other Carlin properties, however, no economically worthwhile gold has been found on the Maggie.

"We're not just flogging paper," insists the Pez. "We really are looking for gold mines."

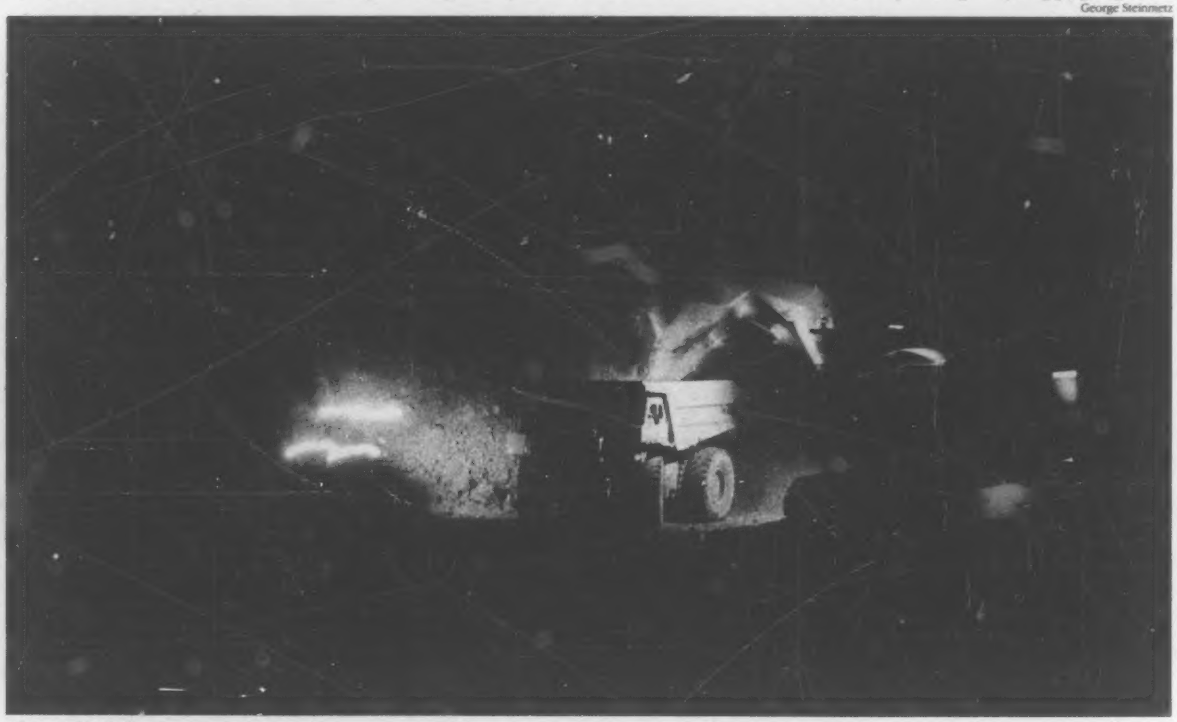
The late bull stock market deserves some of the credit for Nevada's surging production. Since 1985 about $1 billion in equity capital has been raised from investors by the mining companies, with much of those funds channeled to the capital-intensive Nevada operations. Several companies had sold stock at 40 and more times earnings. The market crash will, however, make raising equity capital more difficult. Already one gold company, Battle Mountain Gold, has postponed a 5¼ million share stock offering intended to raise some $130 million.

"I think you're going to see a quite different environment for gold companies next year," predicts Jeffrey Nichols, a New York gold bull at American Precious Metals Advisers. "You're going to see recapitalizations and mergers. Bigger, stronger-capitalized companies with rising cash flows are going to acquire companies that don't have significantly growing gold production and will therefore lack access to equity markets."

Even if gold drops, say, to below $400 an ounce, says Nichols, "some gold companies could still increase cash flow. They would be the ones who have cash operating costs below $200 an ounce and have enough cash on hand to pay down a good portion of their debt." Some candidates could include Newmont Gold, Echo Bay, American Barrick and Amax Gold.

If politicians, in their haste to head off a recession, set the stage for a new round of inflation, owners of gold stocks may end up very happy people. ■

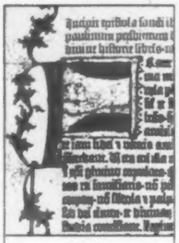
George Steinmetz



The night shift at Round Mountain

Case, Pomeroy's quarter share is probably worth over $250 million.

Lightning, but no thunder



Gutenberg illumination

Lightning surely struck Wall Street, but the thunder has yet to be heard farther uptown in Manhattan's galleries and auction houses. Top-quality works continue to fetch prices that looked heady even before Black Monday. On Oct. 22, just three days later, a first edition of volume one (Genesis to Psalms) of the Gutenberg Bible was auctioned at Christie's. It had been expected to fetch $1.5 million to $2 million. When the bidding was over, Japanese bookseller Maruzen Co., Ltd. bought it for $5.39 million. The collective sigh of relief from art dealers was almost palpable

"You would think nothing had happened downtown," said Ben Heller, an art dealer and investor, after attending another auction at Christie's two weeks later. Contemporary art was the chief interest that night. "Good, strong bidding at all levels," said Christie's president, Christopher Burge. Well, not quite all. Lesser works by Hofmann, de Kooning, Pollock, Stella, Motherwell, Rothko and others failed to make their reserves.

It may be that just as second-tier stocks got hurt even more than blue chips in the recent crash, art works of less than top quality appear most vulnerable. For now, at least, the watchword is quality.

Does the art market's strength bode well for the economy? Not necessarily. Parking assets in art in uncertain times is a notion centuries old.

Sotheby's art market trends

Index sectors	Oct 1987	One month ago	One year ago	Two years ago	Five years ago	One month % change	One year % change	Two year % change	Five years	
									% change	average annual % change
Old Master paintings	349	349	303	289	199	nil	+15.2	+20.8	+75.4	+11.9
19th-century European paintings	323	303	250	249	183	+6.6	+29.2	+29.7	+76.5	+12.0
Impressionist & Post-impressionist art	661	661	432	371	255	nil	+53.0	+78.2	+159.2	+21.0
Modern paintings (1900-1950)	666	666	429	342	245	nil	+55.2	+94.7	+171.8	+22.1
Contemporary art (1945 onward)	597	597	542	488	333	nil	+10.1	+22.3	+79.3	+12.4
American paintings (1800-pre-WWII)	789	789	687	635	459	nil	+14.8	+24.3	+71.9	+11.4
Continental ceramics	320	320	290	284	266	nil	+10.3	+12.7	+20.3	+ 3.8
Chinese ceramics	550	550	486	486	460	nil	+13.2	+13.2	+19.6	+ 3.6
English silver	349	349	338	298	183	nil	+ 3.3	+17.1	+90.7	+13.8
Continental silver	201	201	192	178	134	nil	+ 4.7	+12.9	+50.0	+ 8.4
American furniture	459	452	380	324	213	+1.5	+20.8	+41.7	+115.5	+16.6
French & Continental furniture	319	319	285	273	234	nil	+11.9	+16.8	+36.3	+ 6.4
English furniture	594	594	447	382	263	nil	+32.9	+55.5	+125.9	+17.7
Aggregate index*	477	475	369	336	251	+0.4	+29.3	+42.0	+90.0	+13.7

Basis: 1975 = 100 ($).

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*Contemporary art was added to the Art Index in September 1987. The aggregate index excludes this category prior to that date.

Sotheby's Art Market Trends reflect subjective analyses and opinions of Sotheby's art experts, based on auction sales and other information deemed relevant. Nothing in Sotheby's Art Market Trends is intended as investment advice or as a prediction or guarantee of future performance or otherwise.

Monthly highlights

The most important auctions of the fall season, contemporary art and impressionist paintings, are still ahead, but the sales results to date at auction houses in London and New York have been in line with pre-stock-market-crash expectations. In fact, auctions in jewelry and silver have set records.

In New York, within three days following Black Monday, a 64.83-carat diamond realized $6.38 million (a world auction record) and a 54.99-carat stone, the Porter Rhodes diamond, achieved $3.85 million. As noted in the story above, a first edition of volume one (Genesis to Psalms) of the Gutenberg Bible sold for $5.39 million. In 1978 a complete version of this Bible sold for $2.2 million.

Index highlights

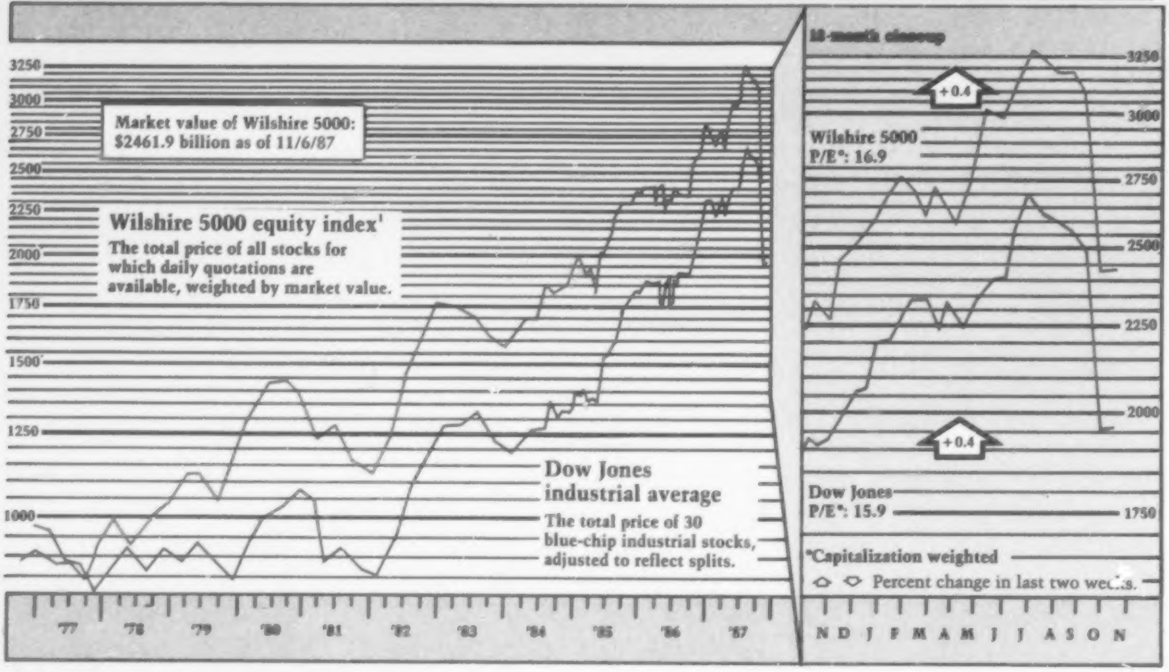
Within Sotheby's art index, the main centers of activity have been 19th-century European and Old Master paintings, American furniture, English and Continental silver and Continental porcelain.

The 19th-century European paintings auctions were the first major fine arts sales to take place in New York after stock prices fell. Despite the volatile economic climate, salesrooms were packed, and competition was spirited.

Europeans and Japanese were major participants, but Americans, both private collectors and institutions, were active, too. A favored 19th-century area, Barbizon School works by such artists as Courbet and Millet, fared well.

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Taking the measure of volatility. The new jagged look to the Wilshire index has scared some investors away. Volatility per se is disturbing. Will the market simmer down?

The market itself provides a clue. Here's how. The value of an index option is determined by several factors, including exercise price, expiration date, volatility of the underlying index—and the spot price of that index. At any given point, all of these factors are known except for the volatility. Thus, one can work backwards to determine the volatility "implied" by an option price.

On Nov. 6, for example, a call option to buy the S&P 500 at 250 until Mar. 18 was quoted at 28½. On the same day, the index itself closed at 250. Crank these numbers into a computer and you get an implied volatility of 39% per year, says Harrison Roth of Drexel Burnham. That figure is up sharply from the 22% implied volatility prevailing in September. In short, traders still expect the market to be extremely volatile.

Closeup On the Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	–20.8	–20.5	–21.1	–19.8	–26.4	–25.6
in last 52 weeks	–2.2	0.1	3.8	–1.0	–4.7	–9.6

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	–19.9	–23.2	–26.6	–12.9	–27.5	–20.4	–12.0	–26.1	–26.3	–16.4	–20.0	–23.6
in last 52 weeks	–1.5	11.2	16.2	3.9	–8.4	–8.2	–6.0	19.7	16.6	–3.5	–2.0	5.3

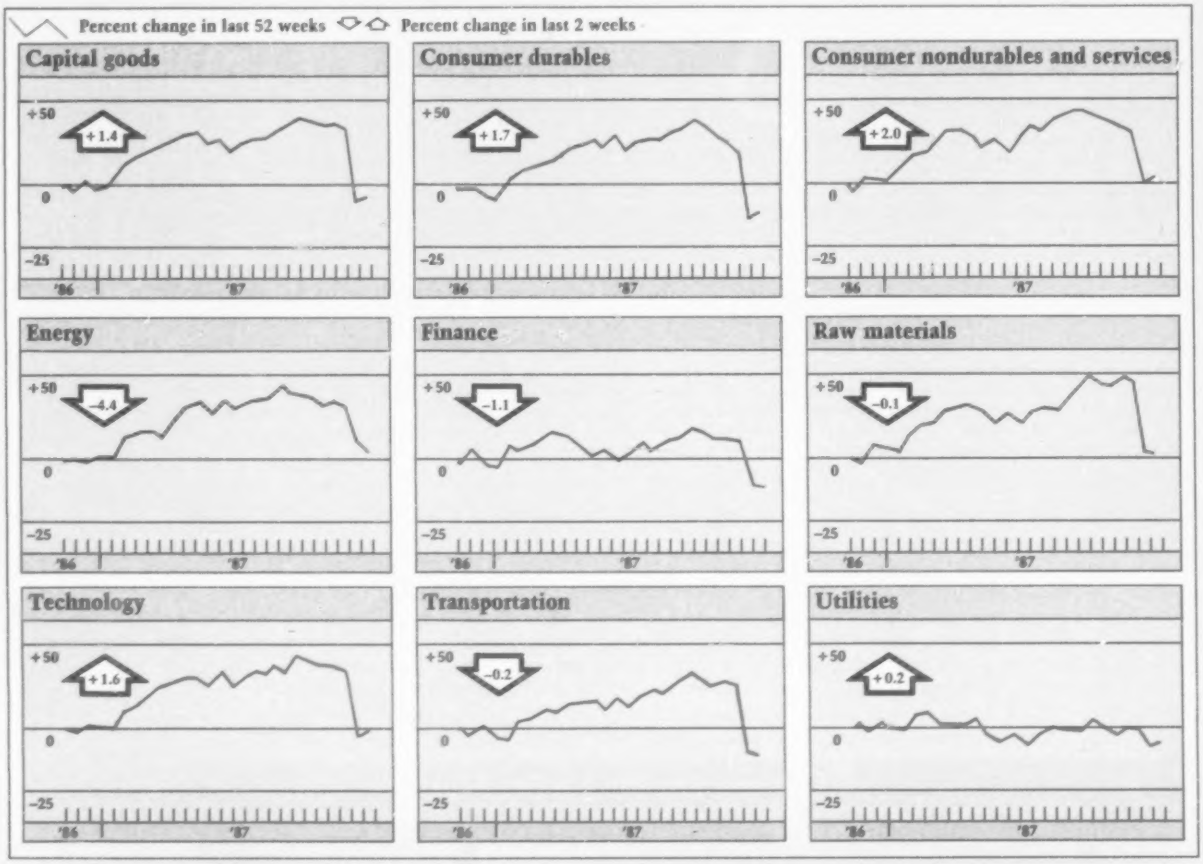
[1] Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2] Based on sales. [3] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 11/6/87. Prepared by Wilshire Associates, Santa Monica, Calif.

Where the Action Is

When the dust settled. With the exception of a 4.4% decline in the energy sector, all groups finished the two-week period with either small gains or small losses. Behind the group figures, however, were some sharp swings in individual stocks because of takeover plays. Southland, which is being pursued by Thompson Co., a private investment concern, rose almost 33%. A takeover offer for Singer Corp. from Paul Bilzerian pushed this defense electronics stock up 27%. E.F. Hutton gained 38% in the finance sector.

Fears that gold stocks had become overpriced drove down share prices in the raw materials group. Echo Bay Mines fell 17%; Placer Dome, 18%; Homestake Mining, 24%; and Battle Mountain Gold, 27%. *(See table, p. 164.)*



What the Analysts Think

Second thoughts. With only one quarter left, securities analysts are not making significant changes in their 1987 forecasts, despite Wall Street's fall. What about 1988? Up until September, analysts were dropping one 1988 estimate for every one they lifted. Now, they are dropping three estimates for every two that they are lifting.

Forecasting the Forbes Sales 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.31	16.1
1987 estimates	2.84	13.1
1988 estimates	3.73	10.0

Rank based on change in estimate	Sector	Estimated 1987 EPS	Estimated 1987 P/E	% change in 1987 estimate in 2 weeks	% change in 1987 estimate in 4 weeks
1	Consumer durables	$4.54	10.4	0.57%	0.76%
2	Energy	2.47	14.5	0.25	–0.14
3	Utilities	2.37	10.1	–0.01	–0.11
4	Capital goods	2.08	16.4	–0.04	0.62
5	Raw materials	2.38	13.2	–0.08	0.84
6	Consumer nondurables	2.32	14.1	–0.25	–0.57
7	Technology	2.50	13.2	–0.42	–0.65
8	Transportation	2.17	13.6	–0.48	–1.89
9	Finance	1.67	16.1	–1.67	–3.82

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continually by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 11/6/87. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

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HAS THE DOLLAR FOUND A BOTTOM?

WHO OWNS TEXAS?

THE MARKET— THE TECHNICIANS' VIEW

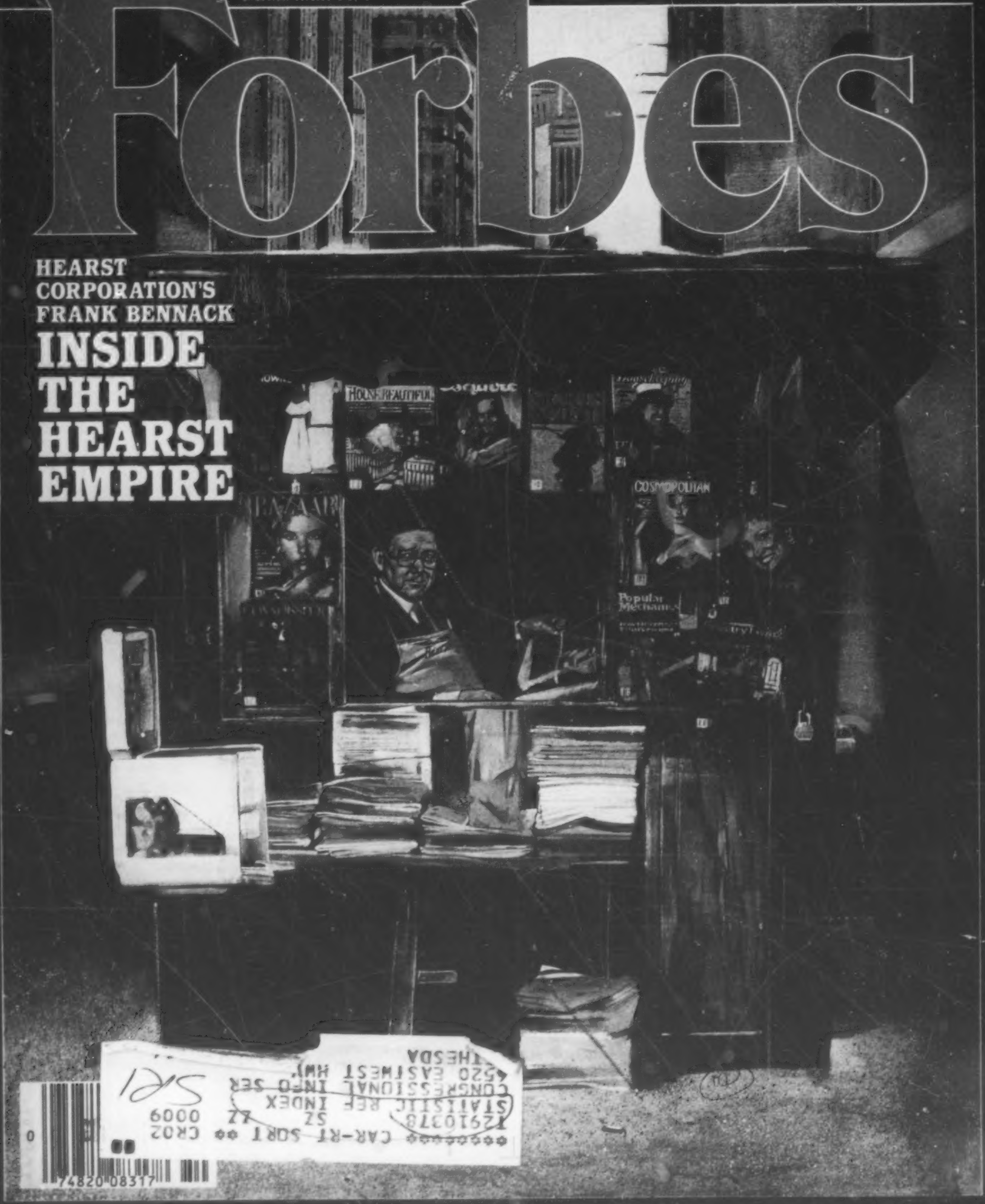
DECEMBER 14, 1987

THREE DOLLARS FIFTY CENTS

Forbes

HEARST CORPORATION'S FRANK BENNACK

INSIDE THE HEARST EMPIRE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Readers Say

Swept away

Sir: Re your question on why the U.S. Navy minesweeping capability disappeared *(Fact and Comment, Oct. 5)*. It is always the same. Get the fancy gold-plated weapon. Cut back on supplies, people, training time, fuel and ammo. The minesweepers are orphans who get whatever money is left, if any.

—Edward A. Lester
Midwest City, Okla.

Weapon woes

Sir: Re your article "Russia: arms merchant to the world" *(Nov. 2)*. Clearly, unencumbered sales allow a balance of military power among competing nations through equal access to suppliers. The threat of weapons use remains constant, but the technological gaps and political problems in weapons sourcing are reduced. Certainly the U.S. is missing out on the deals of the century.

—Charles B. Jones Jr.
President,
Shasta Corp.
Atlanta, Ga.

Sir: Why suggest that the U.S. is naive not to match the Soviet zeal for arms peddling? Why ascribe the "insatiable thirst for weapons" only to developing nations? Our own nation may turn into a developing nation yet, if its thirst for arms is not satisfied soon.

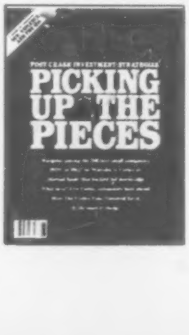
Would you say that someone who refuses to peddle heroin is bound by a naive concept of morality?

—Michael Kalk
Chicago, Ill.

Not so bloody Monday

Sir: Your article ("The rich got poorer," *Nov. 16*) incorrectly reported Roy H. Park's net worth to be $377 million on Oct. 23, 1987. Based on the accurate figure of $477 million, the reduction in Mr. Park's net worth from Sept. 15 would be 13%.

—Wright M. Thomas
Ithaca, N.Y.



All for one?

Sir: Re your encouragement of Mario Cuomo *(Fact and Comment, Nov. 2)*. I'm a Rockefeller-Forbes Republican, but by virtue of his bright, fine mind, the goodness of his heart and the eloquence of his tongue, Cuomo is one of our most refreshing public figures.

—William O'Shaughnessy
New Rochelle, N.Y.

Sir: It will be good news for all Americans and for the future of this nation if each political party nominates the best candidate it has. We've seen plenty of illustrations in recent history that when either party does not submit its best, the entire nation loses.

—April A. Kestel
Cincinnati, Ohio

Please forward

Sir: I have long thought that some good could come from your disgruntled readers who write "Please cancel my subscription." Please take the next cancelation and transfer it to: Kennebunk Public Library, Fletcher St., Kennebunk, Me. 04043.

—John M. Roberts
Kennebunk, Me.

Misinformed

Sir: Your article "The Wally and John show" *(The Informer, Oct. 19)* asserts that our initial public offering was priced at $1 per share. The IPO was $1 per unit of two shares and one warrant, as stated in our prospectus.

—Jonathan Rosenthal
President,
NetAir International
Van Nuys, Calif.

Fast asleep?

Sir: You state that oil and agriculture are in a depression, banks have been hit by writedowns of foreign loans, much of the thrift industry is broke, real estate is a disaster and manufacturing has been forced to restructure, but these calamities won't affect the fundamental health of the economy *(Fact and Comment II, Nov. 2)*.

Wake up. These are the fundamentals of the economy. They are not healthy and neither is the economy.

—Ronald W. Hauglie
Rush City, Minn.

Hold the 1099

Sir: Your article "You can't hide" *(Nov. 16)*, based on erroneous information we gave you, said that payers of municipal bond interest will have to file Form 1099 information returns with the Internal Revenue Service. This is not the case.

—Steven Pyrek
Public Affairs Officer,
Internal Revenue Service
Washington, D.C.

Multiple matters

Sir: The article "What's your multiple?" *(June 1)* claimed that the USAA Cornerstone Fund was an example of a high-P/E fund. But interestingly enough, the Cornerstone Fund has not behaved like a high-P/E fund.

—Michael J.C. Roth
Executive Vice President,
USAA Investment Management Co.
San Antonio, Tex.

In the recent crash (Aug. 20 to Oct. 29), Cornerstone lost 24.2% against the market's 26.4% loss as measured by the S&P 500. But it also beat two of the low-P/E funds reported on in the article.—Ed.

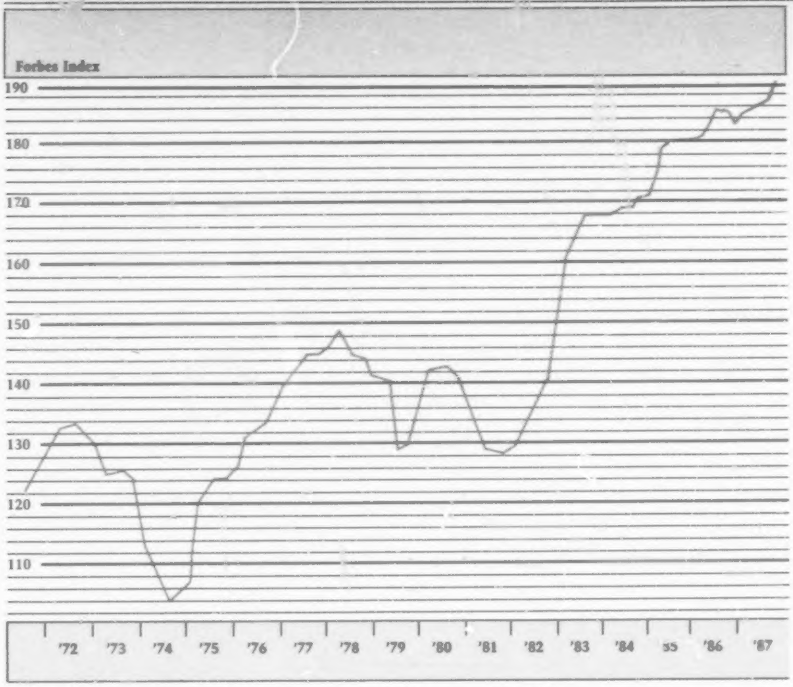
Self-respect

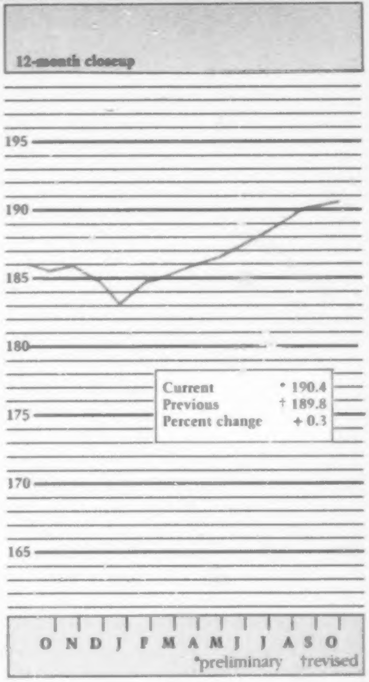
Sir: Re your comment on the wit of Germany's Foreign Minister Genscher *(Fact and Comment, Oct. 19)*. Credit Frank Lloyd Wright with the wit. An extract from Charlotte Willard's *Geography of Wright* speaks for itself. "Before the House Un-American Activities Committee, Wright was asked, 'State your name and profession.' Totally unintimidated, Wright replied, 'I am Frank Lloyd Wright, America's greatest architect.'

"Later, a friend twitted him for his immodesty. Wright, twinkling, answered, 'But I had to tell the truth. I was under oath.' "

—Richard Giza
Bethesda, Md.

The Forbes Index



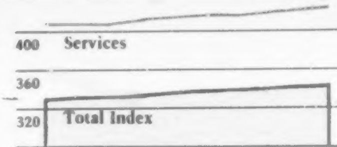


Warning sign. The Forbes Index rose 0.3% in October, but it probably won't expand as rapidly in the coming months. Industrial production went up 0.6%, thanks in part to moderately strong automobile production. U.S. cars were built in October at an annual rate of 7.3 million units. Unfortunately, too many of these vehicles remain on dealers' lots. Both GM and Chrysler announced layoffs in the past two weeks. The three-month running average of consumer installment credit increased 0.8% in September, to $596 billion. Meanwhile, two Index components lost ground: Retail sales slipped 0.1% in October, to an annual rate of $1.53 billion, and the 12-month total of new housing starts was off 1.2%. October 1987 housing starts were 12.5% below the October 1986 figure.

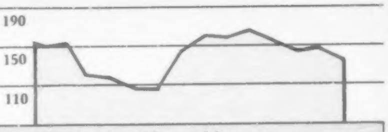
The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

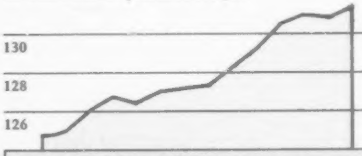
To measure these eight elements, Forbes monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



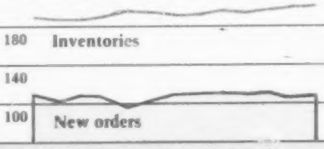
Consumer price indexes (1967 = 100) all urban consumers, unadjusted (Dept. of Labor)



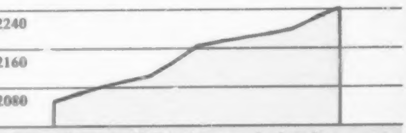
New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)



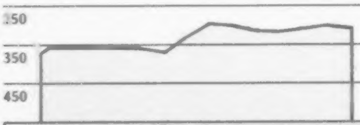
Industrial production index (1967 = 100) seasonally adjusted (Federal Reserve)



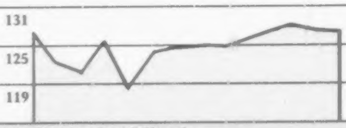
Manufacturers' new orders and inventories ($billions) seasonally (Dept. of Commerce)



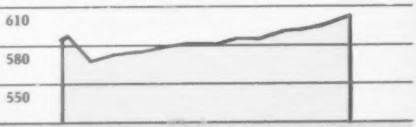
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)



Retail store sales ($billions) seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

How, you may ask, did 1987's new issues fare in the crash? Even worse than the major index averages.

Massacre

By Richard L. Stern and Charles M. Bartlett Jr.

THROUGH THE market's slide and crash, from Sept. 30 to Nov. 5, the S&P 500 dropped a depressing 20.9% and the Nasdaq composite index of over-the-counter shares was down 26.6%. Grim enough. But in the high-risk world of initial public offerings (IPOs) things were even worse. FORBES' computers tracked 491 of the 551 initial stock issues that went public for $1 or more in the first nine months of 1987. From Sept. 30 to Nov. 5, those 491 offerings lost 32.17% of their market value.

The companies we followed had raised a total of $13.7 billion of investors' money. They did pretty well for a while. Despite markets that had been falling since August, their capital had increased in value to $15.6 billion as of Sept. 30. But when we checked again on Nov. 5, three weeks after the crash, their total market value had dropped to $10.6 billion.

FORBES has been looking in detail at new issues for nearly two years now, since its development of a new issues database *(Dec. 12, 1985)*. That database now includes some 4,700 issues that have gone public since 1975. Our consistent finding: "New issues are lousy investments."

FORBES measures the performance of IPOs against the S&P 500 because, given the risk of new issue invest-

How the investment banks performed

Investment bankers with at least four new issues brought to market in the first three quarters of 1987 are ranked by the percentage of their IPOs that outperformed the S&P 500. We included only issues of at least $5 million.

			Average performance			% of issues with gains		
				relative to			relative to	
Rank	Underwriter	Number of issues	actual	S&P 500	Nasdaq	actual	S&P 500	Nasdaq
1	William Blair	4	−11.3%	2.6%	16.1%	50%	50%	50%
2	Dean Witter Reynolds	4	−7.4	6.4	18.0	50	50	50
3	Goldman, Sachs	[illegible]	−15.4	−0.3	10.4	14	43	64
4	Robinson-Humphrey*	7	−29.8	−18.2	−8.5	14	43	43
5	EF Hutton	5	−15.8	−3.5	9.0	40	40	40
6	Smith Barney	6	−16.7	−2.7	8.1	17	33	67
7	First Boston	7	−18.5	−3.3	6.5	14	29	57
8	Merrill Lynch	22	−28.5	−16.1	−7.2	14	27	32
9	Evans & Co	4	−36.5	−20.0	−13.2	25	25	25
10	LF Rothschild	4	−44.1	−38.3	−25	0	25	25
11	Shearson Lehman	23	−26.0	−14.9	−4.7	9	22	35
12	Morgan Stanley	9	−26.8	−13.9	−5.4	0	22	33
13	Salomon Brothers	10	−28.1	−14.7	−6.2	10	20	20
14	PaineWebber	10	−40.0	−31.1	−21.8	0	20	20
15	Blunt Ellis	5	−31.9	−17.8	−10.4	0	20	20
16	Advest	5	−38.6	−27.5	−19.4	0	20	20
17	Prudential-Bache	6	−30.2	−17.9	−8.6	0	17	33
18	Drexel Burnham Lambert	29	−32.9	−26.5	−11.8	10	14	24
19	Alex Brown & Sons	19	−31.7	−20.7	−11.7	5	11	37
20	Kidder, Peabody	13	−35.8	−23.9	−15.7	0	8	23
21	DH Blair	6	−63.3	−54.7	−34.7	0	0	0
22	Montgomery Securities	4	−36.3	−26.9	−18.6	0	0	25
23	McKinley Allsopp	4	−57.9	−52.2	−46.5	0	0	0
24	Rauscher Pierce	4	−52.7	−39.9	−35.6	0	0	0

*Division of Shearson Lehman.

The best performers of 1987's first nine months

Below, the 20 best-performing new issues of 1987, and the 20 worst, based on actual performance through Nov. 5. We have not counted issues that raised less than $5 million.

Company/business	Offer price*	Recent price	Offer value (mil)	Offer date	% gain			Underwriters
						relative to		
					actual	S&P 500	Nasdaq	
Criticare Systems/medical	$5.25	$10.00	$ 7.4	5/22/87	90.5%	111.2%	137.9%	Steinberg & Lyman
Cottage Svgs Assoc/S&L	10.00	15.00	8.6	1/13/87	50.0	53.2	101.4	Self underwriting
Cash Amer Investmts/pawn shops	10.00	14.75	14.6	1/29/87	47.5	58.9	72.3	Eppler Guerin & Turner
British Airways Plc/airline	16.00	23.50	99.6	2/11/87	46.9	60.2	171.8	Salomon Brothers
Angio-Medical/pharmaceuticals	6.00	8.75	10.0	4/29/87	45.8	63.1	220.1	Keane Securities
Topps/gum products	13.00	18.38	22.1	5/21/87	41.3	55.6	90.3	Goldman, Sachs
Fastenal/fasteners	9.00	12.63	9.0	8/20/87	40.3	84.6	129.4	Robert Baird
Calgon Carbon/carbon	22.00	30.25	77.0	6/2/87	37.5	55.9	146.4	Shearson Lehman Brothers
Reisterstown Federal/S&L	9.09	12.50	6.3	2/17/87	37.5	54.3	111.6	Self underwriting
Home Office Ref Lab/lab testing	18.00	24.25	72.0	7/22/87	34.7	63.3	146.8	Smith Barney Harris Upham
Amre/home improvement	8.00	10.50	20.8	2/26/87	31.3	46.1	224.2	EF Hutton
Bethel Bancorp/S&L	10.00	12.75	5.3	8/13/87	27.5	67.8	93.8	Self underwriting
Southstate Bank/S&L	11.00	14.00	25.3	4/22/87	27.3	43.7	79.2	Self underwriting
MMR Holding/contracting svcs	13.50	17.00	14.9	3/19/87	25.9	45.5	110.9	William Blair & Co
Networked Pictures/graphcs sftwre	2.00	2.50	7.0	4/29/87	25.0	39.8	90.5	Beuret & Co
Deerfield Fed S&L/S&L	12.50	15.50	14.4	4/1/87	24.0	42.5	104.9	Self underwriting
Boys Markets/supermarkets	10.25	12.63	14.4	5/15/87	23.2	39.2	128.7	Merrill Lynch
Specialty Equip/food service eq	12.00	14.75	31.0	7/2/87	22.9	47.5	95.8	First Boston
Michael Foods/food products	16.00	19.50	32.0	5/1/87	21.9	37.9	108.5	William Blair & Co
Homestead Svgs Assoc/S&L	8.00	9.63	9.2	1/21/87	20.3	26.6	41.8	Self underwriting

The worst performers of 1987's first nine months

Company/business	Offer price*	Recent price	Offer value (mil)	Offer date	% gain			Underwriters
						relative to		
					actual	S&P 500	Nasdaq	
De Laurentiis Film†/movies	$16.25	$2.13	$26.8	2/27/87	–86.9%	–85.4%	–66.9%	PaineWebber
Fisher Transport/freight	6.00	1.00	6.6	4/15/87	–83.3	–81.3	–60.1	Laidlaw Adams & Peck
Rise Technology/computer publish	6.00	1.13	6.6	3/31/87	–81.3	–78.6	–39.6	McKinley Allsopp
Spectramed/medical products	11.00	2.38	40.0	6/19/87	–78.4	–73.9	–20.8	Alex Brown & Sons
Kingston Systems/polyethylene	8.00	1.75	8.8	4/7/87	–78.1	–74.5	–37.6	Woolcott & Co
National Imaging/med scanning	5.50	1.25	5.7	5/20/87	–77.3	–75.2	–3.7	First United Securities
Intl 800 Telecom/telecom	2.50	0.63	5.0	8/4/87	–75.0	–68.9	–27.0	LC Wegard
Presto Tek/bevrge machine design	5.50	1.50	5.5	1/28/87	–72.7	–70.5	–56.3	McKinley Allsopp
Xeta/telephone acct systems	7.00	2.00	5.6	6/17/87	–71.4	–65.7	–27.3	Eppler Guerin & Turner
Cleopatra Kohlique/cosmetics	2.50	0.75	7.0	2/11/87	–70.0	–67.3	–37.4	DH Blair & Co
Country Wide Transport/freight	15.00	4.50	33.0	3/27/87	–70.0	–65.1	–30.8	Robinson-Humphrey
LJ Simone/shoe manufacturer	8.75	2.75	6.3	6/3/87	–68.6	–63.8	31.1	Tucker Anthony & RL Day
Antonovich Cl A/fur apparel	9.63	3.13	7.2	3/31/87	–67.5	–62.7	–0.7	Evans & Co
Showscan Film/entertainment	10.00	3.25	12.0	6/25/87	–67.5	–60.6	–1.8	Whale Securities
Sigmatron Nova/panel displays	0.19	0.06	6.2	9/22/87	–66.8	–58.3	–11.7	Stuart James
Continental Homes/home bldg	11.50	4.00	13.8	2/19/87	–65.2	–60.9	–30.5	Drexel Burnham Lambert
Goldtex/fabric printing	10.00	3.50	9.4	9/4/87	–65.0	–56.5	12.9	Prescott Ball & Turben
Alpharel/document imaging sys	11.00	4.00	22.0	6/4/87	–63.6	–57.8	–5.5	Merrill Lynch
Ceramics Process/ceramic products	12.00	4.50	18.0	7/15/87	–62.5	–54.3	1.9	Kidder, Peabody
Charter Power/industrial batteries	11.00	4.25	22.0	2/6/87	–61.4	–57.5	–22.0	Merrill Lynch

*Per common share, adjusted for splits. †Public shares of master limited partnership.

Sources: Forbes; Institute for Econometric Research; IDD Information Services; Wilshire Associates; Trident Securities; Interactive Data Corp.

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ments, we figure they should do better than the broad-based market index to be worth your money. But through Nov. 5, only 141 of the 491 new issues we follow outperformed the S&P from the time each went public. In this market that's not saying much—the S&P itself is sharply lower. The more important, and unpleasant, fact is that only 73 of these stocks were up over their own offering prices.

The worst-performing new issue *(see table, p. 57)* in the first nine months of 1987 came from DeLaurentiis Film Partners. Dino DeLaurentiis' movies developed a habit of bombing in theaters. Now his production company has nuked Wall Street. The issue was a master limited partnership, not common stock. But the impact on investors was the same. DeLaurentiis raised $26.8 million on the offering in February. Its market value on Nov. 5 was near $3.5 million.

The worst-performing new issue: DeLaurentiis Film Partners. Dino's production company raised $26.8 million on the offering in February. Its recent market value was near $3.5 million.

Among the top issues, savings and loans seem to have weathered the crash the best. Six *(see table)* were among the 20 top-performing new issues. Little surprise here. Offerings in savings and loans traditionally do better in our performance rankings.

Are these the big winners of the future? Not necessarily. When we ranked the top new issues of 1986 earlier this year *(Mar. 9, 1987),* Home Shopping Network was up over 1,000% from its offering price. It recently was trading at $6, from a high of $47 earlier this year.

Is there a way of lowering odds when buying new issues? We found that a handful of good, regional investment banking firms seem to bring out the best new stocks. Chicago's William Blair & Co., for example, is number one for the first nine months of 1987. It was number one a couple of years back when we rated the best performances since 1975. Even so, you have to watch your wallet. Blair was a dismal 36th out of 38 when we surveyed new issues for 1986.

What of the rest of 1987? Little chance there will be many more new issues this year. Trying to raise capital in depressed markets is bad for business. Which could be a welcome rest for the public. ■

The 400 Largest Private Companies in the U.S.

Running a private company has its advantages, such as never having to say you're sorry to security analysts. The drawbacks are less obvious, at first.

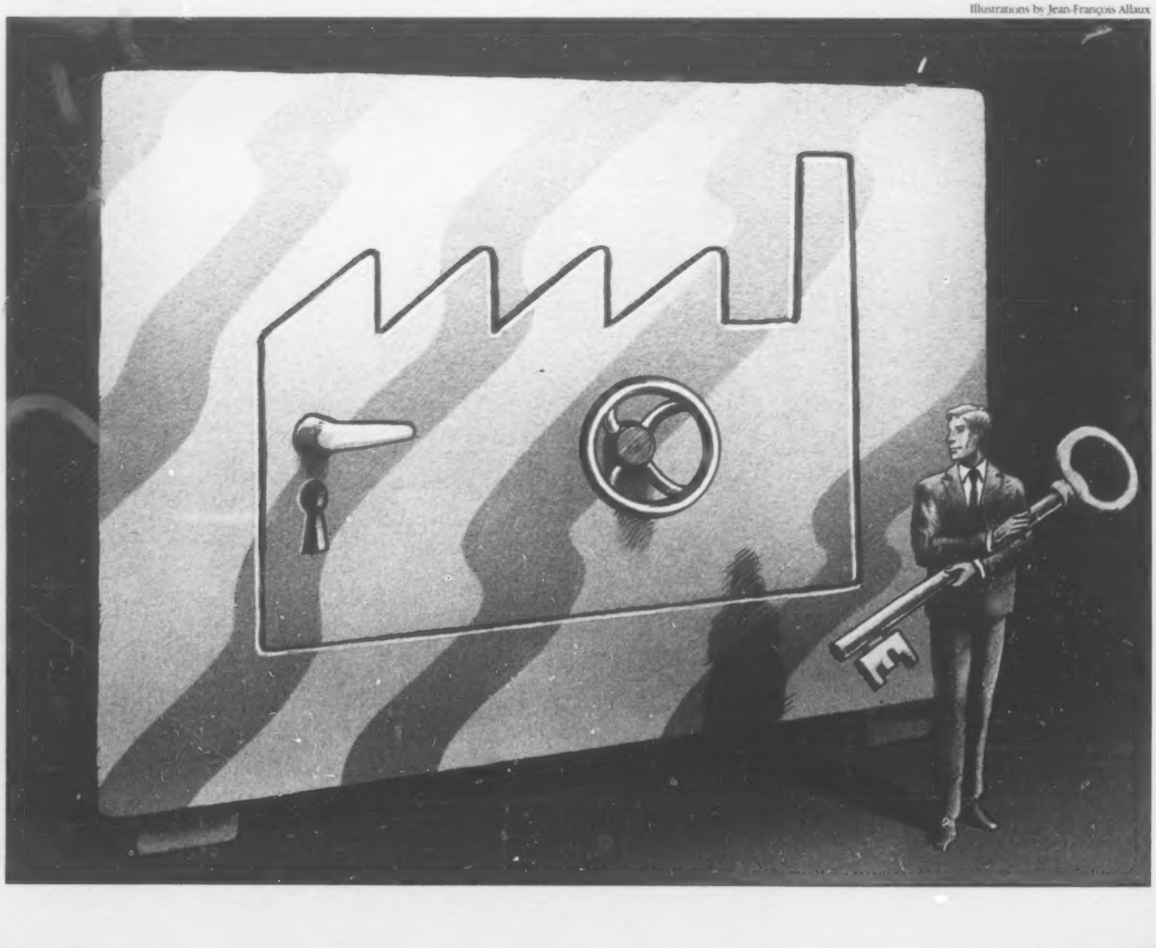
Private enterprise

By Michael Ozanian and Tina Russo

OCT. 19, Black Monday, was a rough day for people running public corporations. The crash made a lot of executive stock options almost worthless. It took the wind out of employee thrift plans tied to company stock. It made shares of stock into raider bait.

At times like these, a Forbes 500 executive may be envying the lot of someone like Frank Wheaton Jr., 74, who runs a $500 million packaging firm in Millville, N.J. Wheaton Industries is privately owned, as it has been since Frank Wheaton's grandfather founded it in 1888. The firm, which says it is the leading private U.S. supplier of drug and cosmetic containers, is profitably self-reliant. It de-

Illustrations by Jean-François Allaux



signs the package and makes the glass and the machinery to decorate it—even the furnace to melt the glass.

This is what Frank Wheaton has going for him. He doesn't have to explain himself to analysts or institutional holders. No takeover artist can threaten him. His competitors don't know his profit margin. He can build asset values without worrying about what it will do to next quarter's reported earnings. He need not apologize to anyone about nepotism (his cousin runs the scientific division) or about any mingling of corporate and family finances.

Easy come, easy go

Stability is not a hallmark of private enterprise: From last year's top-400 list, 80 companies have been displaced. The largest to go was $4 billion (sales) Swift Independent, which became a 50%-owned subsidiary of ConAgra. Three other large dropoffs: E-Z Serve was bought by Harken Oil & Gas; U.S. Plywood by Georgia-Pacific; and Denny's by TW Services.

Thirteen firms from 1986 went public. Among them: Allegheny Ludlum, Western Auto and Edgcomb. All would have done investors a favor by staying private.

Safeway Stores, Owens-Illinois, Supermarkets General, Borg-Warner, Lear Siegler, Revco and Burlington Industries are billion-dollar companies that were taken private in leveraged buyouts.—**Steven Ramos**

Wheaton could make himself a nice pile of cash in a public offering, but he has no intention of doing that. "I still have some sense left," he says, "and I already have a 118-foot yacht."

What is a private company? For FORBES' purposes here, it is any whose stock is not widely traded. Either the company has too few shareholders to file with the SEC, or it files, but the stock is not available to the general public. Graybar Electric *(see story, p. 152)* and Science Applications International are in the latter category. Mutuals, cooperatives, foreign-owned companies and companies 50% or more owned by public companies are excluded.

Plenty of large companies are privately owned—the list that follows includes 106 with $1 billion or more in sales—and quite a few are headed that way in leveraged buyouts. What's so great about being private? Perhaps the most often cited justification is the increased flexibility it gives to managers. "Being private gives me the luxury of not having to worry about what shareholders may think and allows me to plan for the long term," says Thomas J. Gibson, chief financial officer of Gates Corp., a private firm in Denver *(see story, p. 154).*

But the world of private ownership is not all milk and honey. The most important disadvantage is the difficulty of raising equity capital. Well-known public companies going private can usually scare up equity from one of the LBO pools organized by investment bankers. And a Goldman, Sachs has the connections to get the capital it needs, abroad if necessary. But a company like Wheaton could not easily sell stock privately on attractive terms.

It is no surprise, then, that the largest private companies (not counting recent converts from the public arena) include few in capital-intensive industries. There are no airlines, one company that owns a railroad (Anschutz) and no electric utilities on this list. The private companies do, on the other hand, make a strong showing in businesses that are service-oriented or turn over their assets rapidly. They account for more than their share of food wholesalers and grocery chains, apparel importers, commodity traders and real estate managers.

The other problem, which often sets in a generation or two after a company's founding, is liquidity. How to buy out the cousins who don't want to join the business? "In a public company, someone [with] a small ownership [who] doesn't want to be part of the business can cash out. In a private company you don't have that ability, which can lead to a lot of fights and arguments," says Howard Weiser, a partner at Coopers & Lybrand. The company that owned the Louisville, Ky. papers sold out to Gannett to quell feuding among siblings. Koch Industries (ranked 4th below), the giant oil trading and refining company in Wichita, Kans., solved its family squabble by paying off the dissident an estimated $500 million for his 20% share in 1983. William Koch, 47, used part of the money to open his own energy production and trading firm in Dedham, Mass., Oxbow Corp. (ranked 75th). He's been buying into alternative energy and specialty coal operations.

The Bacardis, heirs to the lucrative rum empire, are having trouble maintaining their cohesion as the family reaches the fourth generation and the count of stockholders runs into the hundreds. This international operation is a loose confederation of seven or eight semiautonomous distilling and marketing concerns (Bacardi Imports, ranked 279th below, owns U.S. distribution rights). "A council group of about seven or eight principals that represent key families walk between all the companies," says Richard McGonigal, a lawyer representing dissident Bacardis in a securities case. The suit was filed after controlling insiders this year fired four family executives. But McGonigal says his clients just want a better understanding of what's going on inside the company—and reassurance that they're being treated fairly as owners.

Considering the frequency of such family feuds, it is no small accomplishment when a billion-dollar private firm makes the transition to professional managers, keeps grandchildren contented with dividends, yet retains enough cash to keep the enterprise as strong as it ever was. On those scores the Hearst Corp., 49th on the list and the subject of the cover story *(see p. 141)*, is a striking example.

Sales figures in the tables that follow are for the most recent fiscal year, in many cases confirmed by the company. In other cases we relied on such sources as government filings, competitors, dissident shareholders and industry analysts.

Peter Kiewit Sons'

Dow Jones average? What's that?

The 900 lucky investors in the packaging and construction firm of Peter Kiewit Sons' fared well in the recent 508-point crash. The stock closed Friday, Oct. 16, at $24.85. It also closed Oct. 19 at $24.85. Right there is one good reason for a company to stay private, in the sense of strictly limiting ownership of shares: Employee shareholders are not forever watching the tape. "Our people haven't had to worry about what their stock value was or where we were going as a company," says Chairman Walter Scott Jr.

Kiewit is not a bad stock to own. On sales of $4.8 billion

David Bentz

Peter Kiewit Sons' Chairman Walter Scott Jr.
The stock the crash forgot.

last year, earnings were $190 million, or $5.43 a share, up from $3.03 five years ago. To buy it, however, you'll have to change jobs and move to Omaha. Stock is sold only to employees who meet the approval of management. "We sell stock to compensate the people who are helping us build the company," explains Scott. "It makes our people act more like owners than managers, and that's the way we want them to act."

Making workers think like owners is a laudable objective, oft recited by companies adopting employee stock ownership plans. But the mere existence of employee stock does not turn an otherwise sleepy outfit into a go-getter *(see Graybar, below).*

Kiewit landed in employees' hands under the guidance of Peter Kiewit, who died in 1979 after building his father's masonry business into a billion-dollar construction giant. Unlike Graybar, Kiewit leaves voting control with shareholders and further specifies that no one employee can own more than 10% of the voting stock. (Scott, in addition to 2.8 million voting shares, has 1.8 million nonvoting.) A further check on any tendency to inbred management is the fact that 3 of the 14 directors are from the outside.

Kiewit, at any rate, is anything but sleepy. When Continental Group, the packaging and insurance company, was threatened by a takeover in 1984, Kiewit stepped in as white knight. The company joined David Murdoch in the $3.8 billion acquisition, later buying Murdoch out. The use of tax benefits and the sale of unwanted assets pushed the net cost of a solidly profitable packaging company down to $1.05 billion, including debt assumed. The new operation's market value, says the company, is $1.2 billion to $1.5 billion. Since 1982 Kiewit stock, whose price is determined by a formula based on a modified book value, is up 142%.—**John R. Hayes**

Graybar Electric

Staying aloof

Being private, goes the classic explanation, means not having to answer to pesky public shareholders, with their nearsighted focus on the next quarter. For managers at Graybar Electric, a St. Louis-based wholesale distributor of electrical and telephone gear, it goes a step further. Being private means not having to answer to private shareholders, either. Graybar is an employee-owned company—one of the oldest of that breed—but the employees can't vote their stock.

Once a part of AT&T's Western Electric Co., Graybar was snipped off in a 1926 leveraged buyout led by Elisha Gray and Enos Barton. Last year sales topped $1.6 billion, from more than 100,000 different products that were moved through 189 outlets. Profits? Nothing to brag about. Net last year came to $14 million, or $3.54 a share, off slightly from $4.06 in 1985. Return on equity has averaged an unexciting 8.2% over the past five years.

Employee shareholders aren't in this for the capital gains. The price of Graybar stock is set by the company, and in the past five years, adjusted for two stock dividends, it has climbed from $18.14 to $20. The stock also pays a steady $2 dividend.

If Graybar's results are disappointing, the company's 3,600 stockholders are powerless to question them. That's because the stock is locked up in a voting trust controlled by a self-perpetuating five-man board of senior officers. A hostile takeover is out of the question. Graybar has first refusal on all shares and has always exercised it.

The system seems to work, at least in the sense of commanding loyalty. Turnover is very low, according to an industry observer. (The company itself won't say; it doesn't talk to the press. President James Hoagland "prefers there be no conversation," says his assistant.) The five top managers have spent an average of 40 years with the company.

The weakness is that the insulation of the management from outsiders may have contributed to a certain stodginess. Entrepreneurial verve is more visible in some companies that have heavy employee ownership but enough outsider owners to keep them interested in growth—Herman Miller, for example, or Lowe's Cos.

It's not that insiders at Graybar are getting rich from the arrangement. President Hoagland has only $236,000 worth of the stock and a salary of $477,000. At Graybar, in short, privacy seems to be a mixed blessing.—**John R. Hayes**

St. Louis headquarters of Graybar Electric
No raider is going to threaten this outfit.

Scott Dine/Picture Group

Gates Corp.

Back to the knitting

An accusation often leveled at public companies is that, hell-bent on empire-building, they waste shareholders' money on aimless diversifications. Does this mean family-owned companies are better focused? Not necessarily, as the saga of Denver-based Gates Corp. demonstrates. This firm drifted from a profitable automotive rubber business into all manner of sidelines that it lived to regret.

The Gates family could at least point to the company's roots in justifying the urge to diversify: A strategic shift in its early days saved it from extinction. In 1911 Charles C. Gates, then 33, took over Colorado Tire & Leather Co. Its two main product lines: a steel-studded band of leather that was fastened to tires to extend their mileage, and horse halters. Both products were doomed.

Bruce Harlan

Gates employee with rechargeable batteries
Getting more cautious with the diversifications.

Fortunately, Charles' brother John, an engineer and auto enthusiast, figured he could improve on the unreliable rope belts then common on auto radiator fans. In 1917 John Gates dipped twine in rubber, covered it with fabric and created the Gates rubber V-belt. By the late 1920s the renamed Gates Rubber Co. had a solid business in automobile belts and hoses. When Charles Gates died in 1961, he left behind a profitable tire and rubber-parts empire.

That same year Charles Gates Jr., now 66, took over as chief executive. The younger Gates took the company into guest and cattle ranches, egg farms, trucking, lawn sprinklers, land subdivisions, mutual fund management and a 65% stake in Learjet. "Diversification is like drilling for oil," says Gates Jr. "Sometimes you hit oil, sometimes dry holes, but you have to drill to hit." He seems to have hit a number of dry holes. All these diversifications, except the ranches, have either been sold or put on the block. The company quit the tire business in 1974.

Gates expanded cautiously after its earlier problems. Last year it reinforced its powerbelt line by purchasing Uniroyal's. After some success with a rechargeable tool and appliance battery developed with in-house research, it bought General Electric's nickel-cadmium rechargeable battery line this year. Batteries now account for a sixth of the $1.1 billion Gates expects for 1987 sales. Says Thomas Gibson, executive vice president, "We are concentrating on doing better what we do best."—**Maggie Kirk**

Club Corp. of America

Cheap capital

If access to equity capital is the main reason for going public, Dallas-based Club Corp. of America is safely ensconced in private ownership for a while. This $600 million (estimated 1987 sales) firm manages 225 for-profit clubs—country clubs, business-lunch clubs and athletic clubs. The business is certainly capital-intensive—a country club with golf course and tennis courts can cost $10 million to build—but Club Corp. doesn't put up much of the capital. Customers supply free capital when they plunk down initiation fees of $1,000 to $35,000. And a lot of the country clubs are bargain purchases from nonprofit entities that have let them slip into financial trouble. Club Corp. manages, but does not own, a handful of them. Says Robert Dedman, 61, who started the company in 1957 as a sideline to his law practice (Dedman was an oil and gas attorney for billionaire H.L. Hunt): "We're a very cash-rich company."

The clubs vary in character from smaller city-based athletic clubs offering gym and dining facilities to the Firestone Country Club in Akron, which has two 18-hole golf courses. Club Corp. was quick to capitalize on the 1980s health craze, with new city clubs far outpacing new country clubs. The company now operates 125 athletic and dinner clubs in cities. The company also has a number of resorts, including North Carolina's famed Pinehurst, near Raleigh, as well as athletic clubs without dining facilities. All told, membership tops 400,000.

Even before it turns profitable, a Dedman club can be a cash machine. The fees are refunded, without interest, after 30 years. In economic terms, that means the fee is almost pure income (discounted at 10%, a dollar 30 years hence is worth only 6 cents now). But for tax purposes it's a loan, not income. Memberships are sold before the club even opens, and real estate developers frequently will kick in part of the startup costs because a Club Corp.-managed club is a valuable amenity in a new office building or near a suburban subdivision.

"You avoid all the costs associated with securities," says Dedman. "Stockholder reports, diligence meetings, working with the media. Private companies, quite frankly, can just run their business."—**Peter Newcomb**

Club Corp.'s Robert Dedman
Capital? Get the customers to supply it.

Alexander's Houston

The Largest Private Companies in the U.S.

Rank						
this year	last year	Company/business	Sales (millions)	Employees	Chief executive	City, state
1	1	**Cargill**/commodity trading	$32,400	46,000	Whitney MacMillan	Minneapolis, MN
2	■	●**Safeway Stores**/grocery stores	20,311e[1]	150,000	Peter A Magowan	Oakland, CA
3	3	**Continental Grain**/commodity trading & processing	13,500e	12,000	Michel Fribourg	New York, NY
4	2	**Koch Inds**/petroleum, natural gas, chemicals	13,000	7,000	Charles Koch	Wichita, KS
5	5	**Apex Oil**/oil refining, transporting & trading	9,000e	10,000	Anthony Novelly	St Louis, MO
6	6	**United Parcel Service**/package delivery	8,620	170,000	John W Rogers	Greenwich, CT
7	7	**Mars**/candy	7,700e	22,000	Forrest E Mars Jr	McLean, VA
8	8	**Bechtel Group**/engineering, construction	6,572	28,000	Stephen D Bechtel Jr	San Francisco, CA
9	■	●**Supermarkets General**/grocery stores, home improv cntrs	5,508	19,000	Kenneth Peskin	Carteret, NJ
10	10	●**RH Macy**/department stores	5,210	56,000	Edward S Finkelstein	New York, NY
11	9	**Peter Kiewit Sons**/packaging, construction, coal mining	4,661	33,000	Walter Scott Jr	Omaha, NE
12	4	●**BCI Holdings**[2]/food processing	4,473	45,000	Frederick B Rentschler	Chicago, IL
13	13	**Goldman, Sachs & Co**/investment banking, securities brokerage	4,200e	7,165	John L Weinberg	New York, NY
14	14	●**ARA Services**/food, transportation & health svcs	4,000e	120,000	Joseph Neubauer	Philadelphia, PA
15	23	**Drexel Burnham Lambert**/invest banking, securities brokerage	4,000	10,600	Frederick H Joseph	New York, NY

THE UNITED STATES OF AMERICA
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ONE DOLLAR

Science Applications, a secretive defense contractor, has increased earnings per share at a 22% annual rate since 1978. But you can't buy stock unless you work there.

Rank						
this year	last year	Company/business	Sales (millions)	Employees	Chief executive	City, state
16	15	**Publix Super Markets**/grocery stores	3,797	24,000	George W Jenkins	Lakeland, FL
17	■	●**Owens-Illinois**/packaging & containers	3,642	40,000	Robert J Lanigan	Toledo, OH
18	17	**Carlson Cos**/multicompany	3,500	50,000	Curtis L Carlson	Minneapolis, MN
19	■	●**Borg-Warner**/multicompany	3,379	86,400	James F Bere	Chicago, IL
20	■	●**Burlington Industries**/textiles	3,279	40,000	Frank S Greenberg	Greensboro, NC
21	22	●**American Financial**/financial holding	3,143[3]	5,300	Carl H Lindner	Cincinnati, OH
22	16	●**Malone & Hyde**/food wholesaling, specialty retailing	2,900	8,479	JR Hyde III	Memphis, TN
23	19	●**Marmon Group**/multicompany	2,878	26,910	Robert A Pritzker	Chicago, IL
24	20	●**Levi Strauss**/apparel	2,750	32,000	Robert D Haas	San Francisco, CA
25	21	●**Jack Eckerd**/drugstores	2,566	30,000	Stewart Turley	Clearwater, FL
26	■	**Astroline**/oil trading	2,500e	100	Fred Boling	Reading, MA
27	■	●**Lear Siegler**/vehicle components, industrial equip	2,464	29,000	Richard W Vieser	Livingston, NJ
28	171	●**MacAndrews & Forbes Holdings**/tobacco, cosmetics, film process	2,440[4]	28,000	Ronald O Perelman	New York, NY
29	24	**Milliken & Co**/textiles	2,400e	20,000	Roger Milliken	Spartanburg, SC
30	30	**H Group Holdings**/multicompany	2,300	30,000	Jay Pritzker	Chicago, IL
31	■	●**Revco**/drugstores	2,300	15,000	Boake Sells	Twinsburg, OH
32	27	**Advance Publications**/cable TV, publishing	2,200	19,000	SI Newhouse Jr	Staten Island, NY
33	25	**Lincoln Property**/real estate devel & management	2,114	5,000	A Mack Pogue	Dallas, TX
34	18	**George E Warren**/oil trading	2,045	35	Thomas L Corr	Boston, MA
35	26	●**Pace Industries**/multicompany	2,030	19,300	James W Wilcock	New York, NY
36	32	**HE Butt Grocery**/grocery stores	2,000	23,000	Charles C Butt	San Antonio, TX
37	59	**Gateway Foods**/food wholesaling	2,000	3,000	DB Reinhart	LaCrosse, WI
38	35	**Hallmark Cards**/greeting card publishing	2,000e	19,000	Irvine O Hockaday Jr	Kansas City, MO
39	31	**SC Johnson & Son**/specialty chemicals	2,000e	11,000	Samuel C Johnson	Racine, WI
40	■	**Knoll Intl Holdings**[5]/auto parts, home furnishing, textiles	2,000	25,000	Marshall S Cogan	New York, NY

■ Not on last year's list ● Went private via leveraged buyout since 1980 e: Estimate [1] Does not include 1987 divestitures [2] Beatrice. [3] Does not include 80% interest in United Brands [4] Includes Revlon Group, acquired May 1987 [5] Listed as General Felt Industries last year, ranked 29.

Rank this year	Rank last year	Company/business	Sales (millions)	Employees	Chief executive	City, state
41	77	**Lefrak Organization**/real estate devel & mngmt	$2,000	18,000	Samuel J LeFrak	Rego Park, NY
42	69	**Meijer**/department & grocery stores	2,000e	19,000	Fred Meijer	Grand Rapids, MI
43	39	**Arthur Andersen & Co**/accounting & consulting	1,924	36,117	Duane R Kullberg	Chicago, IL
44	73	**Cumberland Farms**/convenience stores, petroleum distributing	1,900	10,000	Demetrios B Haseotes	Canton, MA
45	33	•**Rapid-American**/retailing	1,894	40,100	Meshulam Riklis	New York, NY
46	75	**Finevest Services**/food processing, insurance, health care svcs	1,800	12,000	William Berkley	Greenwich, CT
47	37	•**Dominick's Finer Foods**/grocery stores	1,750e	3,500	James DiMatteo	Northlake, IL
48	141	**Price Waterhouse**/accounting & consulting	1,750	31,000	Joseph E Connor	New York, NY
49	43	**Hearst Corp**/publishing, broadcasting	1,700	12,000	Frank A Bennack Jr	New York, NY
50	76	**Helmsley-Spear**/real estate devel & mngmt	1,700e	13,000	Harry B Helmsley	New York, NY
51	50	**Coopers & Lybrand**/accounting & consulting	1,695e	47,367	Peter R Scanlon	New York, NY
52	40	**Belk Brothers**/department stores	1,680e	23,000	John Belk	Charlotte, NC
53	44	**Services Group of America**[1]/food wholesaling	1,650e	5,500	Thomas J Stewart	Seattle, WA
54	38	**Graybar Electric**/electrical equip wholesaling	1,625	4,500	James L Hoagland	St Louis, MO
55	46	•**Cox Enterprises**/publishing, broadcasting, cable TV	1,569	20,000	Garner Anthony	Atlanta, GA
56	55	**McLane**/food distributing	1,567	2,731	Drayton McLane Jr	Temple, TX
57	49	**Steelcase**/office furniture & systems	1,506	16,000	Robert C Pew	Grand Rapids, MI
58	64	**Ernst & Whinney**/accounting & consulting	1,500	28,800	Ray J Groves	Cleveland, OH
59	28	**Farley Industries**/multicompany	1,500	22,000	William Farley	Chicago, IL
60	42	•**First National Supermarkets**/grocery stores	1,500	12,500	Richard J Bogomolny	Maple Heights, OH
61	■	**JMB Realty**/real estate syndication	1,500	5,000	Neil Bluhm	Chicago, IL
62	48	**Readers Digest Association**/publishing	1,500	8,000	George V Grune	Pleasantville, NY
63	■	**SE Toyota Distributors**/auto distributing	1,500	2,600	James Moran Sr	Deerfield Beach, FL
64	45	**Stroh Brewery**/brewing	1,500	5,000	Peter W Stroh	Detroit, MI
65	47	**Giant Eagle**/food distributing, grocery stores	1,450	12,000	David S Shapira	Pittsburgh, PA
66	83	**Touche Ross & Co**/accounting & consulting	1,450	29,000	Edward A Kangas	New York, NY
67	52	•**National Gypsum**/building materials	1,432	9,500	John P Hayes	Dallas, TX
68	61	**Arthur Young**/accounting & consulting	1,427	29,000	William L Gladstone	New York, NY
69	■	•**Reliance Electric**/industrial electric equip	1,409	17,000	John C Morley	Cleveland, OH
70	54	**Hy-Vee Food Stores**/grocery stores	1,400	8,000	Ron Pearson	Chariton, IA

Thirteen firms on last year's list have since gone public. Thirty-four new entrants this year were taken private in leveraged buyouts.

Rank this year	Rank last year	Company/business	Sales (millions)	Employees	Chief executive	City, state
71	80	**Union Holdings**/natural gas, food processing	1,400	2,700	Anthony L Geller	Independence, KS
72	57	**Estée Lauder**/cosmetics	1,350e	10,000	Leonard Lauder	New York, NY
73	36	**Peat Marwick Main & Co**/accounting & consulting	1,350	18,500	Larry D Horner	New York, NY
74	■	•**Leaseway Transportation**/vehicle hauling	1,317	20,000	Gerald C McDonough	Beachwood, OH
75	■	**Oxbow**/oil trading	1,250	300	William Koch	Dedham, MA
76	34	**Global Petroleum**[2]/petroleum wholesaling	1,243	160	Alfred A Slifka	Waltham, MA
77	67	**Connell Rice & Sugar**/food export & import, hvy equip leasing	1,200e	200	Grover Connell	Westfield, NJ
78	70	**Deloitte Haskins & Sells**/accounting & consulting	1,200	26,600	J Michael Cook	New York, NY
79	74	**Dunavant Enterprises**/intl & domestic cotton trading	1,200	1,000	William B Dunavant	Memphis, TN
80	58	**Furrs**/grocery stores	1,200	12,500	Jan Friederich	Lubbock, TX

■ Not on last year's list. • Went private via leveraged buyout since 1980. e: Estimate. [1]Formerly Stevedoring Group of America. [2]Formerly First Petroleum.

The Largest Private Companies in the U.S.

Rank this year	Rank last year	Company/business	Sales (millions)	Employees	Chief executive	City, state
81	65	•**Weirton Steel**/steel	$1,173	8,266	Herbert Elish	Weirton, WV
82	■	**National Amusements**/movie theaters, broadcasting, cable TV	1,150[1]	7,500	Sumner M Redstone	Dedham, MA
83	■	•**Restaurant Enterprises Gp**/restaurants	1,143	36,400	Norman N Habermann	Irvine, CA
84	41	•**Dillingham Construction**/construction, engineering	1,121	1,180	Donald K Stager	Pleasanton, CA
85	71	**Anschutz**/oil & gas, real estate, railroad	1,100	3,300	Philip F Anschutz	Denver, CO
86	■	•**Hook-SupeRx**/drugstores	1,100e	10,000	Philip E Beekman	Indianapolis, IN
87	60	**JR Simplot**/agribusiness, food processing	1,100e	9,500	A Dale Dunn	Boise, ID
88	78	**Trammell Crow**/real estate develop & mngmt	1,074	5,000	J McDonald	Dallas, TX
89	90	**Scripps Howard**/publishing	1,062	11,000	Lawrence A Leser	Cincinnati, OH
90	62	**Gilbane Building**/commercial construction	1,043	1,000	Paul J Choquette Jr	Providence, RI
91	68	**Frank Consolidated Enterprises**/auto dealerships, travel agency	1,029	1,452	Zollie S Frank	Des Plaines, IL
92	■	**Frederick Weisman**/auto importing, insurance	1,023	570	Frederick R Weisman	Glen Burnie, MD
93	97	**Atlantic Petroleum**[2]/oil refining, convenience stores	1,000e	1,000	John Deuss	Philadelphia, PA
94	72	**Chilewich Sons**/commodity trading, cattle, meatpacking	1,000	850	Simon Chilewich	New York, NY
95	107	•**Cole National**/specialty retailing	1,000	13,100	Jeffrey A Cole	Lyndhurst, OH
96	98	**Delaware North**/multicompany	1,000	30,000	Jeremy M Jacobs	Buffalo, NY
97	113	**E&J Gallo Winery**/wine	1,000e	3,000	Ernest Gallo	Modesto, CA
98	118	**Gulf States Toyota**/auto importing	1,000	940	Jerry Pyle	Houston, TX
99	153	**Hartz Mountain**/pet food, real estate, publishing	1,000	5,000	Leonard Stern	Harrison, NJ
100	288	**Hillman**/multicompany	1,000	3,500	Henry Hillman	Pittsburgh, PA
101	■	**Holiday Cos**/gasoline retailing, convenience stores	1,000e	5,000	Ronald Erickson	Minneapolis, MN
102	88	**Ingram Inds**/csmr prods, software, texts, coal, water transport	1,000e	2,400	Bronson Ingram	Nashville, TN
103	82	**Sweet Life Foods**/food wholesaling	1,000e	2,000	Julian Leabitt	Suffield, CT
104	313	**Taubman Co**/real estate devel & mngmt	1,000e	450	A Alfred Taubman	Bloomfield Hills, MI
105	203	**Taubman Investment**/dept strs, rest, invest, art auct hse	1,000	14,000	A Alfred Taubman	Bloomfield Hills, MI
106	104	**Wyatt**/petroleum wholesaling	1,000	90	Kirk F Blanchard	New Haven, CT
107	63	**Sammons Enterprises**/insurance, cable TV, industrial equip	994	6,400	James Keay	Dallas, TX
108	93	**Perdue Farms**/poultry processing	964	13,000	Franklin P Perdue	Salisbury, MD
109	115	**Schnuck Markets**/grocery stores	950	2,530	Donald O Schnuck	Bridgeton, MO
110	161	**Mellon Stuart Holdings**/commercial construction	949	1,450	David F Figgins	Pittsburgh, PA
111	86	**Tauber Oil**/petroleum wholesaling	933	50	OJ Tauber Jr	Houston, TX
112	111	**Gates**/rubber prods, recharg batteries	923[3]	15,000	Charles C Gates	Denver, CO
113	■	•**Cain Chemical**/chemicals, plastics	900e	1,450	William A McMinn	Houston, TX
114	101	**Raley's**/grocery stores	900	6,000	Thomas P Raley	Sacramento, CA
115	116	**Simpson Timber**/forest products	900e	6,500	William G Reed Jr	Seattle, WA
116	157	**Triangle Publications**/magazines, newspapers	900e	2,500	Walter H Annenberg	Radnor, PA
117	■	•**LaSalle Energy**/natural gas pipelines	880	1,900	Roy H Bettis Jr	Dallas, TX
118	92	**DeMoulas Super Markets**/grocery stores	880	6,700	TA DeMoulas	Tewksbury, MA
119	103	**Wegmans Food Markets**/grocery stores	880	4,000	Robert B Wegman	Rochester, NY
120	89	**Hunt Corp**/commercial construction	870	420	Robert C Hunt	Indianapolis, IN

■ Not on last year's list ● Went private via leveraged buyout since 1980 e: Estimate [1]Includes 83% interest in Viacom International [2]Listed as Atlantic Richfield & Marketing last year [3]Does not include Gates Learjet, sold Sept 1987

United Parcel Service has sales of $50,705 per employee. The U.S. Postal Service, $38,368. UPS handled 12,941 parcels per employee. The Postal Service handled 187,846.

The Largest Private Companies in the U.S.

Rank this year	Rank last year	Company/business	Sales (millions)	Employees	Chief executive	City, state
121	94	**Potamkin**/auto dealerships	$856	3,000	Victor Potamkin	New York, NY
122	91	●**First Brands**/consumer products	855e	3,700	Alfred E Dudley	Danbury, CT
123	207	**Grocers Supply Co**/food wholesaling	850	1,100	Milton Levit	Houston, TX
124	162	**Lykes Brothers**/food processing, insurance	850	3,000	Charles P Lykes	Tampa, FL
125	79	**Trump Organization**/hotels & gaming, real estate devel	850	[illegible]4,000	Donald J Trump	New York, NY
126	144	**Dubuque Packing**/meatpacking	843	[illegible],750	Charles E Stoltz	Omaha, NE
127	120	**A Johnson & Co**/energy, industrial prods, electronics	841	1,588	John W Priesing	New York, NY
128	■	●**Levitz Furniture**/furniture retailing	836	6,200	Robert M Elliott	Boca Raton, FL
129	128	●**Amsted Industries**/RR equip, industrial equip, bldg mtrls	823	8,304	Robert H Wellington	Chicago, IL
130	121	**Barton-Malow**/commercial construction	822	[illegible]500	Benjamin C Maibach Jr	Southfield, MI
131	109	●**Parsons Corp**/engineering, construction	821	7,000	William E Leonhard	Pasadena, CA
132	106	**Amerco**/U-Haul vehicle rental	820	12,[illegible]00	Edward J Shoen	Phoenix, AZ
133	87	**Avis**/auto rental	813	10,500	Joseph V Vittoria	Garden City, NY
134	110	●**Golden State Foods**/food process & distributing for McDonald's	812	1,300	James E Williams	Pasadena, CA
135	■	●**Tops Markets**/grocery stores	812	2,250	Savino P Nanula	Buffalo, NY
136	112	**McDevitt & Street**/commercial construction	810	2,555	ER Street	Charlotte, NC
137	222	**Fidelity Investments**/fund management	804	5,400	Edward C Johnson III	Boston, MA
138	95	**Schreiber Foods**/food processing	801	3,300	Robert G Bush	Green Bay, WI
139	130	**Gillett Group**/meatpacking, broadcasting, resorts	8[illegible]e	3,000	George N Gillett Jr	Nashville, TN
140	■	●**GLI Holding**/bus transportation	800e	11,000	Fred G Currey	Dallas, TX
141	■	**Hunt Consolidated**/petroleum & gas exploring & refining	800e	2,500	Ray L Hunt	Dallas, TX
142	100	**McCarthy**/commercial construction	800	1,500	Michael M McCarthy	St Louis, MO
143	102	●**Red Owl Holdings**/food wholesaling	800	2,574	C Patrick Schulke	Hopkins, MN
144	124	**Thrifty Oil**/oil refining & retailing, convenience stores	800e	1,400	Ted Orden	Downey, CA
145	127	**Clark Construction Group**/commercial construction	782	2,500	A James Clark	Bethesda, MD
146	302	**Ferrell Cos**/propane gas	778	2,738	James E Ferrell	Liberty, MO
147	123	**Golub**/grocery stores	775	9,000	Lewis Golub	Schenectady, NY
148	■	**Rockefeller Group**/real estate, telecomm, entertainment	775e	3,700	Richard A Voell	New York, NY
149	132	**Scoular**/grain storing & trading	775	438	Marshall E Faith	Omaha, NE
150	163	●**Oppenheimer & Co**/investment banking, securities brokerage	772	2,600	Stephen Robert	New York, NY

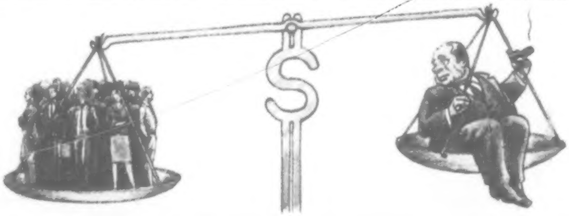
Eighty-six of these firms manufacture, market or trade food.

Rank this year	Rank last year	Company/business	Sales (millions)	Employees	Chief executive	City, state
151	181	**Andersen Corp**/windows & sliding doors	750	3,600	W Arvid Wellman	Bayport, MN
152	■	●**Channel Home Centers**/home improvement centers	750	9,500	Leon Berger	Whippany, NJ
153	■	**Connell Limited Partnership**/metal recycling, industrial equip	750e	2,700	William F Connell	East Boston, MA
154	99	**Esprit de Corp**/apparel	750e	3,703	Doug Tompkins	San Francisco, CA
155	114	**Horsehead Industries**/industrial waste recycling	750	2,100	William E Flaherty	New York, NY
156	■	**Pacific Holding**/diversified holding company	750e	20,500	David H Murdock	Los Angeles, CA
157	137	**Warren Equities**/petroleum prods, convenience stores	742e	1,500	Warren Alpert	New York, NY
158	122	**NES**/precision instruments	742	1,380	Robert A Martin	Carpentersville, IL
159	■	●**International Controls**/truck trailers, aerospace	737	6,600	Arthur M Goldberg	Boca Raton, FL
160	131	**Lennox International**/climate-control equip	725e	6,500	John W Norris Jr	Dallas, TX

■ Not on last year's list ● Went private via leveraged buyout since 1980 e: Estimate

The Largest Private Companies in the U.S.

Rank this year	Rank last year	Company/business	Sales (millions)	Employees	Chief executive	City, state
161	182	**Domino's Pizza**/pizza restaurants	$722	2,500	Thomas S Monaghan	Ann Arbor, MI
162	108	●**First Texas Financial**/savings & loan	713	2,400	J Livingston Kosberg	Dallas, TX
163	129	●**Cone Mills**/textiles	710	10,350	Dewey L Trogdon	Greensboro, NC
164	160	**Holman Enterprises**/auto dealerships	699	1,933	Joseph S Holman	Pennsauken, NJ
165	280	**Hughes Markets**/grocery stores	688	4,500	Fred B McLaren	Los Angeles, CA
166	167	**Maritz**/marketing & business svcs	684	3,600	William E Maritz	Fenton, MO
167	148	**Eighty Four Lumber**/building materials	684	3,000	Joseph A Hardy Sr	Eighty Four, PA
168	151	**Crowley Maritime**/maritime transportation	680	4,000	Leo Collar	San Francisco, CA
169	140	**Worldwide Volkswagen**/auto distributing	678	400	V Elmaleh/F Stanton	Orangeburg, NY
170	178	●**Guardian Industries**/flat glass	675	6,680	William Davidson	Northville, MI
171	117	**Transammonia**/trading fertilizers & petroleum prods	668	166	Ronald P Stanton	New York, NY
172	135	●**PIE Nationwide**/trucking	656	10,000	Charles F Rodgers	Jacksonville, FL
173	53	●**Amstar**/multicompany	651	5,000	Howard B Wentz Jr	Stamford, CT
174	■	●**Mayflower**/moving svcs	650	2,200	John B Smith	Carmel, IN
175	206	**Edward J DeBartolo**/real estate development & management	650e	12,000	Edward J DeBartolo	Youngstown, OH



The combined sales of the 400 largest private companies are $449 billion. Of the 400 largest public ones, $2.55 trillion.

Rank this year	Rank last year	Company/business	Sales (millions)	Employees	Chief executive	City, state
176	138	**Rich Products**/frozen foods, pro sports, broadcasting	650	5,400	Robert E Rich Jr	Buffalo, NY
177	158	●**SCI Holdings**/broadcasting, cable TV	649	4,300	Kenneth Bagwell	Miami, FL
178	194	**Johnson & Higgins**/insurance brokerage, benefit consulting	648	6,710	Robert V Hatcher Jr	New York, NY
179	■	**Jordan Co**/multicompany	645	8,000	John W Jordan II	New York, NY
180	169	**Builder Marts of Am**/building materials wholesaling	640	750	Clarence B Bauknight	Greenville, SC
181	139	**Randall's Food Markets**/grocery stores	636	7,500	Robert R Onstead	Houston, TX
182	143	**Drummond**/coal	632	3,200	Garry N Drummond	Jasper, AL
183	184	**Young & Rubicam**/advertising	628	11,000	Alex Kroll	New York, NY
184	189	**HCB Contractors**/general contracting, construction management	626	1,200	Lawrence A Wilson	Dallas, TX
185	250	●**Bath Iron Works**/shipbuilding	622e	7,700	William E Haggett	Bath, ME
186	147	**Ticor**/title insurance	620	7,000	Winston V Morrow	Los Angeles, CA
187	191	**Cardinal Industries**/modular housing	611	8,650	Austin Guirlinger	Columbus, OH
188	■	**Playtex**/personal care garments & products	610	8,000	Joel E Smilow	Stamford, CT
189	170	**MagneTek**/electronics	609	11,000	Frank Perna Jr	Los Angeles, CA
190	149	●**Arcata**/printing, forest products	600	6,000	Edward L Scarff	San Francisco, CA
191	150	**Associated Metals & Minerals**/metals trading	600e	210	Stefan E Eliel	White Plains, NY
192	177	**Duchossois Enterprises**/railroad equip	600e	6,000	Richard L Duchossois	Elmhurst, IL
193	202	**Kohler**/plumbing equip, engines, generators	600e	12,500	Herbert V Kohler Jr	Kohler, WI
194	292	●**MediaNews Group**[1]/newspapers	600	14,000	W Dean Singleton	Dallas, TX
195	154	**Metallurg**/metals, alloys	600	3,800	Michael A Standen	New York, NY
196	210	**Oklahoma Publishing**/publishing, broadcasting, entertainment	600	5,000	Edward L Gaylord	Oklahoma City, OK
197	262	**CL Peck/Jones Brothers Construct**[2]/commercial contracting	600e	550	Jerve M Jones	Los Angeles, CA
198	186	**Science Applications Intl**/research & development	600	7,000	Dr JR Beyster	San Diego, CA
199	238	**Wilbur-Ellis**/distributing farm supplies	600	900	CP Thacher	San Francisco, CA
200	■	●**King Kullen Grocery**/grocery stores	595	4,700	John B Cullen	Westbury, NY

■ Not on last year's list ● Went private via leveraged buyout since 1980 e: Estimate

[1] Includes Denver Post and Houston Post, acquired in 1987.

[2] CL Peck merged with Jones Brothers January 1987

Rank this year	Rank last year	Company/business	Sales (millions)	Employees	Chief executive	City, state
201	159	•**Warnaco**/apparel	$590	10,700	Linda J Wachner	New York, NY
202	168	**United Van Lines**/moving svcs	589	800	Robert J Baer	Fenton, MO
203	■	•**Big V Supermarkets**/grocery stores	588	1,450	David G Bronstein	Florida, NY
204	164	**Piggly Wiggly Southern**/grocery stores	588	5,760	James A Bolonda	Vidalia, GA
205	■	•**Morse Shoe**/shoe retailing	586	4,500	Manuel Rosenburg	Canton, MA
206	378	•**Exide**/batteries	584[1]	5,000	Arthur Hawkins	Reading, PA
207	204	**Battelle Memorial Institute**/research & development	579	7,939	Dr Ronald S Paul	Columbus, OH
208	142	**Alfred M Lewis**/food distributing	573	1,050	Michael C Burandt	Riverside, CA
209	201	**B Green & Co**/food wholesaling, grocery stores	570	1,600	Bernard Green	Baltimore, MD
210	183	•**Republic Health**/hospitals	564e	6,500	Bryan P Marsel	Dallas, TX
211	180	•**Allied Van Lines**[2]/moving svcs	563	890	Dennis I Mudd	Broadview, IL
212	■	**Thomson McKinnon**/securities brokerage	560	5,311	John J Maloney Jr	New York, NY
213	179	**Southwire**/metal fabricating	553	3,558	James C Richards	Carrollton, GA
214	96	**Amway**/household & personal care products	550e	7,000	Richard M DeVos	Ada, MI
215	205	**Brookshire Grocery**/grocery stores	550e	6,600	Bruce G Brookshire	Tyler, TX
216	■	**Sherborne Group**/broadcast equip, magnetic tape	550	7,000	Edward J Bramson	New York, NY
217	■	•**Penn Traffic**/grocery stores	548	5,500	Guido Malacarne	Johnstown, PA
218	145	**Rock Island Refining**/petroleum refining	545	1,500	William E Huff	Indianapolis, IN
219	192	**Irvine Co**/real estate development	540	1,000	Donald Bren	Newport Beach, CA
220	■	•**Ponderosa**/steak house restaurants	535	26,000	Frank J Holdraker	Dayton, OH
221	219	**Brenlin Group**/metal fabricating, steel	530e	3,600	David L Brennan	Akron, OH
222	392	**Bright Banc Savings Assoc**/savings & loans	530	2,800	James B Reeder	Dallas, TX
223	■	**JM Petroleum**/petroleum transporting	530	220	James Musselman	Dallas, TX
224	209	**North Pacific Lumber**/wholesaling of forest prods	530	360	Leo T Gibbons	Portland, OR
225	315	**Tang Industries**/metal fabricating & distributing	530	4,000	Cyrus Tang	Elk Grove Village, IL
226	215	**WWF Paper**/stationery & writing paper	530	650	Edward V Furlong Jr	Bala Cynwyd, PA
227	213	**Schwan's Sales Enterprise**/frozen foods	525e	5,000	Marvin Schwan	Marshall, MN
228	66	•**Avondale Industries**/shipbuilding	516	6,400	Albert L Bossier Jr	New Orleans, LA
229	235	**Roseburg Forest Products**/forest products	510e	4,400	John Stephens	Roseburg, OR
230	84	**Vantage Cos**/commercial construction	510	1,500	John Eulich	Dallas, TX

Four of the companies on this list are headed by women: Copley Newspapers, Jockey International, Joyce International and Warnaco.

Rank this year	Rank last year	Company/business	Sales (millions)	Employees	Chief executive	City, state
231	174	•**Harte-Hanks Communications**/publishing, newspapers, TV	507	7,500	Bob Marbut	San Antonio, TX
232	196	**Snyder General**/climate control equip	504	4,800	Richard W Snyder	Dallas, TX
233	211	•**Pamida**/discount department stores	504	4,500	C Clayton Burkstrand	Omaha, NE
234	■	•**Joy Technologies**[3]/mining & industrial equip	501	4,200	Roy Wennerholm Jr	Pittsburgh, PA
235	316	**Aarque Cos**/metal fabricating	500e	3,100	R Quintus Anderson	Jamestown, NY
236	228	**Bartlett & Co**[4]/grain, flour, cattle feed	500	550	Paul D Bartlett Jr	Kansas City, MO
237	271	**Greenwood Mills**/textiles	500e	7,800	JC Self Jr	Greenwood, SC
238	208	•**Hyster**/forklift trucks, mtrls handling equip	500	5,000	William H Kilkenny	Portland, OR
239	■	•**Motor Wheel**/auto parts	500e	3,500	Joseph C Overbeck	Lansing, MI
240	257	**Parsons & Whittemore**/pulp & paper, ind machinery	500	2,500	Carl C Landegger	New York, NY

■ Not on last year's list • Went private via leveraged buyout since 1980 e: Estimate [1] Includes General Battery, acquired May 1987 [2] Agreed to be acquired by National Freight, a U.K. holding company [3] Formerly Joy Manufacturing [4] Listed as Bartlett Agri Enterprises last year

The Largest Private Companies in the U.S.

Rank this year	Rank last year	Company/business	Sales (millions)	Employees	Chief executive	City, state
241	242	•**Schottenstein Stores**/department & furniture stores	$500	7,000	Jerome Schottenstein	Columbus, OH
242	237	**Walbridge, Aldinger**/general contractors & construc mgmt	500	750	John Rakolta Jr	Livonia, MI
243	243	**Wheaton Inds**/packaging	500e	10,000	Frank H Wheaton Jr	Millville, NJ
244	227	**Young's Market**/food & liquor wholesaling	497	1,200	Vernon Underwood Sr	Los Angeles, CA
245	187	**Paragon Group**/real estate devel & management	493	1,300	WR Cooper	Dallas, TX
246	165	**The Andersons**/agribusiness, consumer prods	491	1,500	Richard P Anderson	Maumee, OH
247	223	•**Marley**/climate-control equip	490	5,400	Robert J Dineen	Shawnee Mission, KS
248	249	**Austin Industries**/commercial construction	485	6,500	William T Solomon	Dallas, TX
249	■	**Crown American**/department stores, real estate mgmt	482	7,000	Frank J Pasquerilla	Johnstown, PA
250	■	•**El Paso Products**/plastics & petrochemicals	480	1,200	OR Clements	Odessa, TX
251	269	**Alberici**/commercial & industrial construction	480	1,500	Raymond F Pieper	St Louis, MO
252	220	**GSC Enterprises**/food wholesaling	480	1,100	Michael K McKenzie	Sulphur Springs, TX
253	193	**HB Zachry**/commercial construction	480	6,100	H Bartel Zachry	San Antonio, TX
254	218	•**Kane-Miller**/meatpacking	478	1,100	Stanley B Kane	Tarrytown, NY
255	176	•**Coca-Cola Bottling Co NY**/soft drink bottling	475e	2,000	James Maloney	Greenwich, CT

Sixty-nine of these companies, with combined revenues of $168 billion, are controlled by members of The Forbes Four Hundred, the richest people in America.

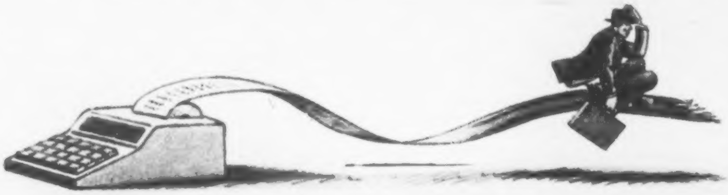
Rank this year	Rank last year	Company/business	Sales (millions)	Employees	Chief executive	City, state
256	258	**Penske**/auto dealerships, racing, parts	472e[1]	5,000	Roger S Penske	Reading, PA
257	212	**Phelps**/commercial construction & mfg	471	3,095	Robert G Tointon	Greeley, CO
258	■	•**American Bakeries**/bakery goods	471	7,500	E Garrett Bewkes Jr	New York, NY
259	232	**Merchants Distributors**/food wholesaling	470e	985	Boyd George	Hickory, NC
260	236	**UIS**/auto parts	470	5,100	Harry Lebensfeld	New York, NY
261	■	**Ruffin**/petroleum brokerage, convenience stores	469	800	Phil G Ruffin	Wichita, KS
262	199	**JM Huber**/energy, rubber, natural resources	465	3,000	Michael W Huber	Edison, NJ
263	■	•**Ceco**/building materials	461	5,900	Erwin E Schultze	Oak Brook, IL
264	216	**Inland Real Estate**/real estate devel & mgmt	455	1,500	Daniel L Goodwin	Oak Brook, IL
265	■	**Coca-Cola Bottling Chicago**/soft drink bottling	450e	1,800	Marvin Herb	Chicago, IL
266	■	**Continental Cos**/hotel management	450e	12,400	Sherwood M Weiser	Miami, FL
267	185	**Koll**/real estate development, general contracting	450	760	Donald Koll	Newport Beach, CA
268	291	**McKinsey & Co**/consulting	450	3,000	D Ronald Daniel	New York, NY
269	234	•**Pride Refining**/oil refining & transporting	450	647	Jimmy R Morris	Abilene, TX
270	248	**Rosenthal Cos**/auto dealerships	450	1,200	Robert M Rosenthal	Arlington, VA
271	284	**Moyer Packing**/meatpacking & processing	442	1,200	Curtis F Moyer	Souderton, PA
272	270	**C&S Wholesale Grocery**/food wholesaling	440	500	Lester Cohen	Brattleboro, VT
273	230	**Chemcentral**/chemical distributing	435	750	Richard T Hough	Chicago, IL
274	290	**Hendrick Management**[2]/auto dealerships	434	1,080	JR Hendrick III	Charlotte, NC
275	197	**Racetrac Petroleum**/convenience stores, gasoline retailing	433	1,750	Carl Bolch Jr	Atlanta, GA
276	281	**MA Mortenson**/commercial construction	433	700	MA Mortenson Jr	Minneapolis, MN
277	241	**CR Anthony**/department stores	430	7,500	John J Weisner	Oklahoma City, OK
278	225	**Schwegmann Giant Super Mkts**/grocery stores	430	4,000	John F Schwegmann	New Orleans, LA
279	■	**Bacardi Imports**/distilled spirits & wine importing	425	250	Luis J Echarte	Miami, FL
280	214	**Fresh Mark**[3]/meatpacking	425	1,600	Neil Genshaft	Massillon, OH

■ Not on last year's list. • Went private via leveraged buyout since 1980. e: Estimate. [1] Does not include Hertz-Penske. [2] Listed as JRH last year. [3] Listed as Superior's Brand Meats last year.

The Largest Private Companies in the U.S.

Rank						
this year	last year	Company/business	Sales (millions)	Employees	Chief executive	City, state
281	256	**Minyard Food Stores**/grocery stores	$425e	3,000	MT Minyard	Coppell, TX
282	■	●**National Beverage**/soft drink wholesaling	425	1,000	Nick A Caporella	Fort Lauderdale, FL
283	323	**RB Pamplin**/textiles, concrete, asphalt	425	6,600	RB Pamplin	Portland, OR
284	■	●**Revere Copper & Brass**/metal fabricating, copper & brass prods	423	3,100	Louis Bradbury	Clinton, IL
285	246	**AJ Bayless Markets**/grocery stores	420e	2,500	Bruce Krysiak	Phoenix, AZ
286	■	●**Seligman & Latz**/jewelry, cosmetics	420	12,000	David B Cornstein	New York, NY
287	267	**McWane**/pipe mfg, water treatment	415e	3,675	JR McWane	Birmingham, AL
288	■	**Southwestern General**/building materials, industrial prods	414	2,700	Michael R Krupp	Golden, CO
289	369	**Worldmark**/bldg materials, intermediate aluminum prods	410	1,200	Dean Rhoads	N Palm Beach, FL
290	■	●**Diamandis Communications**/magazine publishing	407	1,300	Peter G Diamandis	New York, NY
291	263	**Central Newspapers**/newspapers	407	4,250	Frank E Russell	Indianapolis, IN
292	■	**Gitano/Orit Imports & Affils**/apparel importing & marketing	405	450	Morris Dabah	New York, NY
293	■	●**Meadowdale Foods**/grocery stores, food wholesaling	405	2,020	David K Page	Detroit, MI
294	221	**Westfield Cos**/insurance	402	1,500	Dale W Smucker	Westfield Center, OH
295	264	**Asplundh Tree Expert**/tree trimming for elec utilities	400e	11,300	Edward K Asplundh	Willow Grove, PA
296	317	**Booz, Allen & Hamilton**/managerial & tech consulting	400e	2,900	R Michael McCullough	New York, NY
297	265	**Club Corp of America**/private athletic clubs & resorts	400	15,000	Robert Dedman	Dallas, TX
298	351	**Day & Zimmermann**/engineering, consulting, business svcs	400	11,000	Harold L Yoh Jr	Philadelphia, PA
299	■	**WL Gore & Associates**/Gore-Tex fabrics, electronics, indus prods	400e	4,500	Robert W Gore	Newark, DE
300	254	●**McLouth Steel Products**/steel	400e	2,200	David Clark	Trenton, MI
301	■	**Pony Industries**/specialty chems, building mtls	400	2,000	William E Flaherty	New York, NY
302	275	**QuikTrip**/convenience stores	400	1,500	Chester Cadieux	Tulsa, OK
303	295	**Roger Williams Foods**/food wholesaling & distributing	400	500	Scott B Laurans	Providence, RI
304	155	**Steuart Investment**/petroleum storage & marketing	400	800	Curtis S Steuart	Washington, DC
305	■	●**Research-Cottrell**/engineering, environmental svcs	396	2,150	Benjamin Rawls	Somerville, NJ
306	244	●**Palm Beach**/apparel	394	5,700	Alfred P Fuoco	Cincinnati, OH
307	300	**Encyclopaedia Britannica**/publishing	391	1,100	Robert P Gwinn	Chicago, IL
308	200	**AG Spanos Construction**/real estate devel & mgmt	390	875	Alex G Spanos	Stockton, CA
309	260	**World Carpets**/carpets	390	3,400	Shaheen Shaheen	Dalton, GA
310	268	**Almac's**/grocery stores	386	974	AW Pike	East Providence, RI
311	279	**American Seaway Foods**/food wholesaling	385	700	Ralph A Garson	Bedford Heights, OH
312	304	**Walton Monroe**/textiles	385	4,800	G Stephen Felker	Monroe, GA
313	278	**Fred W Albrecht Grocery**/grocery drugstores & gnrl merchandise	384	3,200	F Steven Albrecht	Akron, OH
314	334	**Investors Management**/restaurants	381	18,000	James H Maynard	Raleigh, NC
315	314	**Towers, Perrin, Forster & Crosby**/consulting, reinsurance	380	4,000	Quentin I Smith Jr	New York, NY
316	274	**Sprague Resources**/residential & commercial construction	380	3,000	Robert M Helsell	Seattle, WA
317	340	**Brown Brothers Harriman**/banking, securities brokerage	375e	1,350	Terrence M Farley	New York, NY
318	■	**DHL Airways**/air express service	375	5,000	Charles A Lynch	Redwood City, CA
319	319	**Freedom Newspapers**/publishing, broadcasting	375e	5,200	DR Segal	Irvine, CA
320	252	●**Friona Inds LP**/agribusiness, food processing	375	900	Dennis R Farley	Dallas, TX

The 8 accounting firms on this list have combined revenues of $12.2 billion.



■ Not on last year's list. ● Went private via leveraged buyout since 1980. e: Estimate.

The Largest Private Companies in the U.S.

Rank						
this year	last year	Company/business	Sales (millions)	Employees	Chief executive	City, state
321	289	●**J&L Specialty Products**/flat-rolled stainless steel	$375e	1,200	Claude F Kronk	Pittsburgh, PA
322	255	●**Microdot**/fasteners, connectors, fluid seals	375	3,500	Richard P Strubel	Chicago, IL
323	345	**LL Bean**/outdoor sporting goods retailing & mfg	368	2,300	Leon A Gorman	Freeport, ME
324	336	**ER Carpenter**/plastic foams	367	6,200	Stanley F Pauley	Richmond, VA
325	373	**Continental Cablevision**/cable broadcasting	365	3,300	Amos B Hostetter Jr	Boston, MA
326	354	**Gordon Food Service**/wholesale food distributing	365	950	Paul Gordon	Grand Rapids, MI
327	286	**Granite Construction**/commercial construction	365	2,500	Richard C Solari	Watsonville, CA
328	266	**Home Interiors & Gifts**/wholesale decorative accessories	365	1,400	Donald J Carter	Dallas, TX
329	134	**Stephens**/investment banking, securities brokerage	365e	315	Warren A Stephens	Little Rock, AR
330	226	**Swinerton & Walberg**/general contracting	365	1,500	Milo S Gates	San Francisco, CA
331	305	**Journal Communications**/newspapers, broadcasting & printing	361	3,650	Thomas J McCollow	Milwaukee, WI
332	■	●**Auto Shack**/auto parts stores	360	3,900	Peter Formanek	Memphis, TN
333	355	**Haworth**/office furniture	360e	2,750	Richard Haworth	Holland, MI
334	272	**Hyplains Dressed Beef**/meatpacking	360	270	Jim Mitchell	Dodge City, KS
335	296	**United Co**[1]/coal mining, oil & gas, hotels	360	1,200	James W McGlothlin	Bristol, VA
336	356	**Roy M Huffington**/oil & gas production	357	3,200	Roy M Huffington	Houston, TX
337	325	**Rugby-Darby Group**[2]/health care products	355e	2,000	Michael Ashkin	Rockville Ctr, NY
338	372	**Wawa**/convenience stores	353	1,200	Richard D Wood Jr	Wawa, PA
339	328	**Coulter Electronics**/medical & electronic instruments	350e	4,800	Wallace H Coulter	Hialeah, FL
340	308	**Hale-Halsell**/food wholesaling	350	3,285	Bob Hawk	Tulsa, OK
341	287	●**Health-tex**/children's apparel	350	8,500	Robert A Breakstone	New York, NY
342	359	**Inserra Supermarkets**/grocery stores	350	2,000	Lawrence R Inserra	Mahwah, NJ
343	273	**Ben E Keith**/food & beverage distributing	350	1,350	Robert Hallam	Fort Worth, TX
344	363	●**Lykes Brothers Steamship**/ocean freight	350e	1,000	WJ Amoss Jr	New Orleans, LA
345	321	**Marketing Corp of America**/mktg svcs, venture capital	350	2,000	Jim R McManus	Westport, CT
346	324	**Randall Stores**/grocery stores	350	2,800	Ron Randall	Mitchell, SD
347	■	●**Six Flags**/amusement parks	350	1,600	Larry Cochran	Arlington, TX
348	366	**Stowe-Pharr Mills**/yarn manufacturing	350	4,200	JM Carstarphen	McAdenville, NC
349	298	**Jervis B Webb**/materials handling equip	350e	2,500	Jervis C Webb	Farmington Hills, MI
350	377	●**Otasco**/home improv, auto parts stores, appliances	346	2,950	Jerry L Goodman	Tulsa, OK
351	■	●**Duckwall-Alco Stores**/discount stores	344	4,700	Robert R Soelter	Abilene, KS
352	329	**PMC**/specialty chemicals, plastics, machinery	341	2,400	Philip Kamins	Sun Valley, CA
353	■	**International Data Group**/publishing, research for info svc ind	340e	2,800	Patrick J McGovern	Framingham, MA
354	322	**Benjamin Moore & Co**/paint, varnish & enamel	340e	1,500	Richard Roob	Montvale, NJ
355	371	**HC Prange**/department, discount & specialty stores	339	6,000	Henry C Prange	Sheboygan, WI
356	239	**Flying J**/integrated petroleum	339	1,300	Jay Call	Brigham City, UT
357	■	**Sverdrup Corp**/engineering & architectural svcs	337	4,000	Brice R Smith Jr	St Louis, MO
358	312	**D'Arcy Masius Benton & Bowles**/advertising, communications	336	6,200	John S Bowen	New York, NY
359	385	●**Joyce International**/office furniture & supplies	336	4,192	G Lynn Shostack	New York, NY
360	330	**Ris Paper**/distributing paper prods	335	552	Howard C Ris	Garden City, NY

■ Not on last year's list. ● Went private via leveraged buyout since 1980. e: Estimate. [1] Listed as United Coal last year. [2] Listed as Rugby Labs last year.

Four owners of the top 400 private companies own NFL teams: N. Braman (Eagles), "Bum" Bright (Cowboys), E. DeBartolo (Forty-niners) and A. Spanos (Chargers).

The Largest Private Companies in the U.S.

Rank this year	Rank last year	Company/business	Sales (millions)	Employees	Chief executive	City, state
361	■	**AMI Cos**/auto dealerships	$334	620	Eugene J Ribakoff	Worcester, MA
362	387	**Humiston-Keeling**/drug distributing	330	246	Burton H Olin	Chicago, IL
363	276	**●ACF Industries**/railroad equip mfg & leasing	328	1,548	Carl C Icahn	Earth City, MO
364	■	**●Bekins**/transportation & warehousing svcs	328	2,500	Thomas E Epley	Glendale, CA
365	326	**Sundt**/general contracting & construction management	327	1,686	H Wilson Sundt	Tucson, AZ
366	381	**Automanage**/auto dealerships	325	1,054	Michael L Dever	Cincinnati, OH
367	327	**Bourns**/electronics	325	6,000	Gordon L Bourns	Riverside, CA
368	■	**●Easco**/aluminum products	325	2,300	John F Henry	Girard, OH
369	318	**Fareway Stores**/grocery stores	325	880	FW Beckwith	Boone, IA
370	337	**Krasdale Foods**/food distributing	325	525	Charles A Krasne	Bronx, NY
371	303	**3 Beall Brothers 3**/department stores	325	2,500	Royce Beall	Jacksonville, TX
372	■	**West Lumber**/wholesaling & retailing of building mtls	325	2,900	Charles B West	Atlanta, GA
373	344	**Copley Newspapers**/newspapers	324e	3,420	Helen K Copley	La Jolla, CA
374	389	**Morris Communications**/newspapers, billboards	322	3,400	William S Morris III	Augusta, GA
375	332	**Weil Brothers Cotton**/cotton wholesaling	320e	100	Robert Weil	Montgomery, AL
376	■	**Whiting-Turner Contracting**/commercial construction	320	1,250	W Hackerman	Towson, MD
377	■	**Baddour**/discount department stores	318	1,860	Paul Baddour	Memphis, TN
378	339	**Moorman Mfg**/livestock & poultry feed	315e	4,000	RA Liebig	Quincy, IL
379	400	**Menasha**/packaging, printing, plastics	313	2,800	DC Shepard	Neenah, WI
380	294	**Pantry**/convenience stores	312	3,000	Truby G Proctor Jr	Sanford, NC
381	346	**Dillard Paper**/wholesaling of paper & plastics prods	310	1,400	GA Clark	Greensboro, NC
382	■	**Alamo Rent-A-Car**/car rental	310	2,750	Micheal S Egan	Fort Lauderdale, FL
383	■	**●Bumble Bee Seafoods**/food processing	310	2,500	Patrick W Rose	San Diego, CA
384	■	**Dick Corp**/commercial construction	310	2,500	Dorsey Dick	Pittsburgh, PA
385	399	**Bob Frink Management**/auto dealerships	310	730	Robert Frink	Sacramento, CA
386	374	**Haggar Apparel**/apparel	310e	7,000	JM Haggar Jr	Dallas, TX
387	364	**Philadelphia Hide Brokerage**/grain trading	310e	100	Michael P Halpert	Philadelphia, PA
388	■	**Refco Group Ltd**/commodities and futures brokerage	310	750	Tone Grant	Chicago, IL
389	■	**World Oil Co**/petroleum refining & distributing	310	400	Bernard B Roth	South Gate, CA
390	333	**Rinker Materials**/building materials	308	2,300	Marshall E Rinker Sr	W Palm Beach, FL
391	■	**Boddie-Noell Enterprises**/Hardees restaurants	305	14,000	Ben Mayo Boddie	Rocky Mount, NC
392	352	**Fiesta Mart**/grocery stores	304	2,600	Donald L Bonham	Houston, TX
393	293	**Northville Industries**/petroleum wholesaling & retailing	304e	320	Harold Bernstein	Melville, NY
394	■	**●Conair**/health care products, appliances	303	1,135	LP Rizzuto	Stamford, CT
395	245	**Country Cos**/insurance	301	2,153	Duane L Miller	Bloomington, IL
396	348	**American Cast Iron Pipe**/steel pipe, valves	300	2,600	Paul W Green	Birmingham, AL
397	382	**●Atalanta**/food importing	300	200	George G Gellert	New York, NY
398	360	**Jockey International**/men's underwear	300	3,200	Donna W Steigerwaldt	Kenosha, WI
399	320	**●Kusan**/building materials, oilfield equip	300	2,000	Reynold Nebel	Brentwood, TN
400	375	**●Spalding & Evenflo**/sporting goods, baby products	300	2,600	Donald J Byrnes	Tampa, FL

■ Not on last year's list. ● Went private via leveraged buyout since 1980. e: Estimate.

Drexel Burnham Lambert, the largest privately owned brokerage firm, has over $2 billion in equity capital.

The Largest Private Companies in the U.S.

This alphabetical listing shows the 400 largest private companies in the U.S. For those companies taken private since 1980, we give the year of the transaction. The sales ranking begins on page 156. The story begins on page 150.

Company	Rank
Aarque Cos	235
ACF Industries/1984	363
Advance Publications	32
Alamo Rent-A-Car	382
Alberici	251
Fred W Albrecht Grocery	313
Allied Van Lines/1981	211
Almac's	310
Amerco	132
American Bakeries/1984	258
American Cast Iron Pipe	396
American Financial/1981	21
American Seaway Foods	311
AMI Cos	361
Amstar/1986	173
Amsted Industries/1986	129
Amway	214
Andersen Corp	151
Arthur Andersen & Co	43
The Andersons	246
Anschutz	85
CR Anthony	277
Apex Oil	5
ARA Services/1984	14
Arcata/1982	190
Asplundh Tree Expert	295
Associated Metals & Minerals	191
Astroline	26
Atalanta/1981	397
Atlantic Petroleum	93
Austin Industries	248
Auto Shack/1987	332
Automanage	366
Avis	133
Avondale Industries/1985	228
Bacardi Imports	279
Baddour	377
Bartlett & Co	236
Barton-Malow	130
Bath Iron Works/1986	185
Battelle Memorial Institute	207
AJ Bayless Markets	285
BCI Holdings/1986	12
LL Bean	323
Bechtel Group	8
Bekins/1987	364
Belk Brothers	52
Big V Supermarkets/1987	203
Boddie-Noell Enterprises	391
Booz, Allen & Hamilton	296
Borg-Warner/1987	19
Bourns	367
Brenlin Group	221
Bright Banc Savings Assoc	222
Brookshire Grocery	215
Brown Brothers Harriman	317
Builder Marts of Am	180
Bumble Bee Seafoods/1985	383
Burlington Industries/1987	20
HE Butt Grocery	36
C&S Wholesale Grocery	272
Cain Chemical/1987	113
Cardinal Industries	187
Cargill	1
Carlson Cos	18
ER Carpenter	324
Ceco/1986	263
Central Newspapers	291
Channel Home Centers/1986	152
Chemcentral	273
Chilewich Sons	94
Clark Construction Group	145
Club Corp of America	297
Coca-Cola Bottling Chicago	265
Coca-Cola Bottling Co of NY/1980	255
Cole National/1984	95
Conair/1985	394
Cone Mills/1984	163
Connell Limited Partnership	153
Connell Rice & Sugar	77
Continental Cablevision	325
Continental Cos	266
Continental Grain	3
Coopers & Lybrand	51
Copley Newspapers	373
Coulter Electronics	339
Country Cos	395
Cox Enterprises/1985	55
Crowley Maritime	168
Crown American	249
Cumberland Farms	44
D'Arcy Masius Benton & Bowles	358
Day & Zimmermann	298
Edward J DeBartolo	175
Delaware North	96
Deloitte Haskins & Sells	78
DeMoulas Super Markets	118
DHL Airways	318
Diamandis Communications/1987	290
Dick Corp	384
Dillard Paper	381
Dillingham Construction/1983	84
Dominick's Finer Foods/1981	47
Domino's Pizza	161
Drexel Burnham Lambert	15
Drummond	182
Dubuque Packing	126
Duchossois Enterprises	192
Duckwall-Alco Stores/1985	351
Dunavant Enterprises	79
Easco/1986	368
Jack Eckerd/1986	25
Eighty Four Lumber	167
El Paso Products/1984	250

The Largest Private Companies in the U.S.

Company	Rank
Encyclopaedia Britannica	307
Ernst & Whinney	58
Esprit de Corp	154
Estée Lauder	72
Exide/1983	206
Fareway Stores	369
Farley Industries	59
Ferrell Cos	146
Fidelity Investments	137
Fiesta Mart	392
Finevest Services	46
First Brands/1986	122
First National Supermarkets/1985	60
First Texas Financial/1982	162
Flying J	356
Frank Consolidated Enterprises	91
Freedom Newspapers	319
Fresh Mark	280
Bob Frink Management	385
Friona Inds LP/1985	320
Furrs	80
E&J Gallo Winery	97
Gates	112
Gateway Foods	37
Giant Eagle	65
Gilbane Building	90
Gillett Group	139
Gitano/Orit Imports and Affils	292
GLI Holding/1987	140
Global Petroleum	76
Golden State Foods/1980	134
Goldman, Sachs	13
Golub	147
Gordon Food Service	326
WL Gore & Associates	299
Granite Construction	327
Graybar Electric	54
B Green & Co	209
Greenwood Mills	237
Grocers Supply Co	123
GSC Enterprises	252
Guardian Industries/1985	170
Gulf States Toyota	98
H Group Holdings	30
Haggar Apparel	386
Hale-Halsell	340
Hallmark Cards	38
Harte-Hanks Communications/1984	231
Hartz Mountain	99
Haworth	333
HCB Contractors	184
Health-tex/1985	341
Hearst Corp	49
Helmsley-Spear	50
Hendrick Management	274
Hillman	100
Holiday Cos	101
Holman Enterprises	164
Home Interiors & Gifts	328
Hook-SupeRx/1986	86
Horsehead Industries/1981	155
JM Huber	262
Roy M Huffington	336
Hughes Markets	165
Humiston-Keeling	362
Hunt Consolidated	141
Hunt Corp	120
Hy-Vee Food Stores	70
Hyplains Dressed Beef	334
Hyster/1984	238
Ingram Inds	102
Inland Real Estate	264
Inserra Supermarkets	342
International Controls/1987	159
International Data Group	353
Investors Management	314
Irvine Co	219
J&L Specialty Products/1986	321
JM Petroleum	223
JMB Realty	61
Jockey International	398
Johnson & Higgins	178
A Johnson & Co	127
SC Johnson & Son	39
Jordan Company	179
Journal Communications	331
Joy Technologies/1987	234
Joyce International/1984	359
Kane-Miller/1984	254
Ben E Keith	343
Peter Kiewit Sons	11
King Kullen Grocery/1980	200
Knoll Intl Holdings	40
Koch Inds	4
Kohler	193
Koll	267
Krasdale Foods	370
Kusan/1986	399
LaSalle Energy/1987	117
Lear Siegler/1987	27
Leaseway Transportation/1987	74
Lefrak Organization	41
Lennox International	160
Levi Strauss/1985	24
Levitz Furniture/1985	128
Alfred M Lewis	208
Lincoln Property	33
Lykes Bros	124
Lykes Brothers Steamship	344
MacAndrews & Forbes Holdings/1983	28
RH Macy/1986	10
MagneTek	189
Malone & Hyde/1984	22
Maritz	166
Marketing Corp of America	345
Marley/1981	247
Marmon Group/1986	23
Mars	7
Mayflower/1987	174
McCarthy	142
McDevitt & Street	136
McKinsey & Co	268
McLane	56
McLouth Steel Products/1982	300
McWane	287
Meadowdale Foods/1987	293
MediaNews Group/1985	194
Meijer	42
Mellon Stuart Holdings	110
Menasha	379
Merchants Distributors	259
Metallurg	195
Microdot/1984	322
Milliken & Co	29
Minyard Food Stores	281
Benjamin Moore & Co	354
Moorman Mfg	378
Morris Communications	374
Morse Shoe/1987	205
MA Mortenson	276
Motor Wheel/1987	239
Moyer Packing	271
National Amusements	82

The Largest Private Companies in the U.S.

Company	Rank
National Beverage/1985	282
National Gypsum/1986	67
NES	158
North Pacific Lumber	224
Northville Industries	393
Oklahoma Publishing	196
Oppenheimer & Co/1986	150
Otasco/1984	350
Owens-Illinois/1987	17
Oxbow	75
Pace Industries/1984	35
Pacific Holding	156
Palm Beach/1985	306
Pamida/1981	233
RB Pamplin	283
Pantry	380
Paragon Group	245
Parsons & Whittemore	240
Parsons Corp/1984	131
Peat Marwick Main	73
CL Peck/Jones Bros Construct	197
Penn Traffic/1987	217
Penske	256
Perdue Farms	108
Phelps	257
Philadelphia Hide Brokerage	387
PIE Nationwide/1985	172
Piggly Wiggly Southern	204
Playtex	188
PMC	352
Ponderosa/1987	220
Pony Industries	301
Potamkin	121
HC Prange	355
Price Waterhouse	48
Pride Refining/1981	269
Publix Super Markets	16
QuikTrip	302
Racetrac Petroleum	275
Raley's	114
Randall Stores	346
Randall's Food Markets	181
Rapid-American/1981	45
Readers Digest Association	62
Red Owl Holdings/1986	143
Refco Group Ltd	388
Reliance Electric/1986	69
Republic Health/1986	210
Research-Cottrell/1987	305
Restaurant Enterprises Gp/1986	83
Revco/1986	31
Revere Copper and Brass/1986	284
Rich Products	176
Rinker Materials	390
Ris Paper	360
Rock Island Refining	218
Rockefeller Group	148
Roger Williams Foods	303
Roseburg Forest Products	229
Rosenthal Cos	270
Ruffin	261
Rugby-Darby Group	337
Safeway Stores/1986	2
Sammons Enterprises	107
Schnuck Markets	109
Schottenstein Stores/1980	241
Schreiber Foods	138
Schwan's Sales Enterprise	227
Schwegmann Giant Super Mkts	278
SCI Holdings/1985	177
Science Applications Intl	198
Scoular	149
Scripps Howard	89
Seligman & Latz/1985	286
Services Group of America	53
Sherborne Group	216
JR Simplot	87
Simpson Timber	115
Six Flags/1987	347
SnyderGeneral	232
SE Toyota Distributors	63
Southwestern General	288
Southwire	213
Spalding & Evenflo/1982	400
AG Spanos Construction	308
Sprague Resources	316
Steelcase	57
Stephens	329
Steuart Investment	304
Stowe-Pharr Mills	348
Stroh Brewery	64
Sundt	365
Supermarkets General/1987	9
Sverdrup Corp	357
Sweet Life Foods	103
Swinerton & Walberg	330
Tang Industries	225
Tauber Oil	111
Taubman Co	104
Taubman Investment	105
Thomson McKinnon	212
3 Beall Brothers 3	371
Thrifty Oil	144
Ticor	186
Tops Markets/1987	135
Touche Ross & Co	66
Towers, Perrin, Forster & Crosby	315
Trammell Crow	88
Transammonia	171
Triangle Publications	116
Trump Organization	125
UIS	260
Union Holdings	71
United Co	335
United Parcel Service	6
United Van Lines	202
Vantage Cos	230
Walbridge, Aldinger	242
Walton Monroe	312
Warnaco/1986	201
Warren Equities	157
George E Warren	34
Wawa	338
Jervis B Webb	349
Wegmans Food Markets	119
Weil Bros Cotton	375
Weirton Steel/1984	81
Frederick Weisman	92
West Lumber	372
Westfield Cos	294
Wheaton Inds	243
Whiting-Turner Contracting	376
Wilbur-Ellis	199
World Carpet	309
World Oil Company	389
Worldmark	289
Worldwide Volkswagen	169
WWF Paper	226
Wyatt	106
Young & Rubicam	183
Young's Market	244
Arthur Young	68
HB Zachry	253

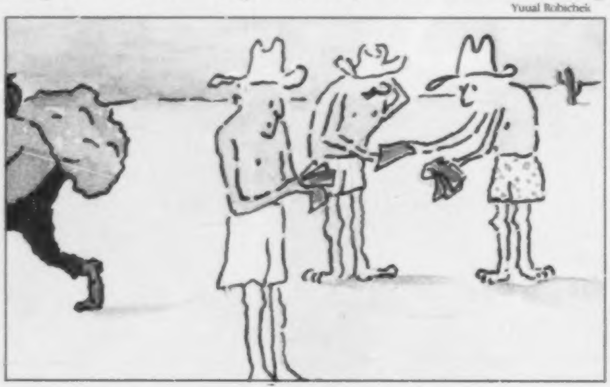
The Alamo isn't for sale—yet. But bargain-hunting outsiders are voraciously gobbling up the Lone Star State.

Is Texas losing its independence?

By Toni Mack

THE REPUBLIC OF TEXAS—off on its own and fiercely independent of the 25 states that then formed the United States—existed for a mere nine years a century and a half ago, but it's alive and cherished in the unrepentantly chauvinistic hearts of modern Texans. Remembering the Alamo every chance they get, Texans treasure notions of independence with a unique—some would say obnoxious—vehemence. Never mind that much of its economy hangs on dangerously squabbling Third World oil producers. And never mind, these days, that more and more of Texas is being snapped up by outsiders.

Consider. Texas' tallest building—indeed, at 75 stories, the tallest west of the Mississippi—is 85% owned by a group led by Lebanese businessman Rafik B. Hariri. The building houses Texas Commerce Bancshares, which Chemical Bank of New York bought in May.


Yuval Robichek

Coldwell Banker reckons that foreigners already own 17% of downtown Dallas and 30% of downtown Houston. According to the Dallas merger and acquisition firm Rogers & Davine, out-of-state companies spent $11 billion buying Texas companies in the 18 months ended in June. *(See table, p. 188.)* Just $2.3 billion went in the other direction. Even *Texas Business* magazine was sold last year—to New Hampshire's Yankee Publishing Inc. Says Southern Methodist University economist Bernard Weinstein, "The whole state is on sale."

In real estate, bargain hunters began to flock in early this year, on the premise that the worst of the bust is over. Buyers had a special gleam in their eyes for Dallas, whose diverse economy promises an earlier turnaround than, say, oil-dependent Houston or wildly overbuilt Austin *(see following story)*. Who's buying? "Mostly, we're seeing wealthy individuals looking for a three- to six-year return on their money," says Michael McMenomy of Coldwell Banker's Dallas office.

"We have bought over $150 million worth of properties in the Dallas area in the last eight months," boasts Reuven Dallal, an Iraqi-born, Israeli-reared Dallasite who opened a London office last year to hawk Texas real estate to Europeans and Arabs. "I tell my investors, 'You're renting Class A office space in London for £50 a square foot. That's about $90. For less than $90, you can *buy* a square foot here.' " He recently bought two suburban Dallas office buildings for 40% of the outstanding mortgage.

Sometimes the discount comes by way of a break on financing. In August, after six months of negotiations, New York investor Robert A. MacFarlane bought two Dallas office buildings for $12 million in cash and restructured mortgages. Here's the sweet part: The lender, First RepublicBank Corp., cut the interest rate from prime-plus-1% to 8½%; for the first two years, MacFarlane has to pay only 4% interest, while the other 4½% accrues unpaid; and the principal, reduced from $120 million to $108 million, doesn't have to be paid until 1997. MacFarlane figures he'll net as much as $65 million.

Note to lusting investors: Plenty of prime property with resilient, muscular backing is not on sale at bargain prices. Says Perry Waughtal, vice chairman of developer Gerald D. Hines Interests, "I could spend full time talking to people who want to buy the Dallas and Houston Gallerias [vast, posh and popular shopping malls]. But they're not willing to offer the price at which we're willing to sell." Owners like Hines, Metropolitan Life and Prudential are strong enough to wait out the downturn.

Not so some of the notoriously weak Texas banks. Soon Houston won't have an independent bank holding company to its name. Texas Commerce has already sold out to Chemical Bank. Pending shareholder votes, Los Angeles' First Interstate Bancorp will buy Allied Bancshares. Chicagoan Robert Abboud is busy rounding up $500 million in capital to take over First City Bancorp, which the FDIC will infuse with another $970 million in capital, the second-biggest bank bailout ever.

In Dallas, RepublicBank Corp. chose to make a lonely stand for independence by merging with InterFirst to form First RepublicBank. Still, its success isn't assured, and it remains to be seen whether other big Texas banks, such as Dallas' MCorp, can survive without out-of-state big daddies.

Retailing? Much the same story. Neiman-Marcus, that legendary shrine of Texas-style service and opulence, was sold out of Texan hands to Carter Hawley Hale of Los Angeles in 1968. Now Chestnut Hill, Mass.-based General Cinema Corp. owns 60% of it. (The rest is publicly traded.)

Sakowitz, another ritzy Texas-based chain that specialized in Russian silver fox coats and the like, is about to fall into Australian hands. Robert Sakowitz, the founder's great-grandson, expanded it into bankruptcy in 1985. A shadow of its former self

Going, going, gone

Texans have been watching some of their most successful businesses and most prominent properties go on the auction block. Herewith, a few of the more notable examples.

Property/*location*	Business	Buyer/*location*	Year	Price
Electronic Data Systems/*Dallas*	data processing	General Motors/*Detroit*	1984	$2.5 billion
Texas Commerce Tower/*Houston*	office building	Rafik Hariri/*Lebanon*	1985	203 million*
Texas Oil & Gas Corp/*Dallas*	exploration, production	USX Corp/*Pittsburgh*	1986	3 billion
Big Three Industries/*Longview*	industrial gases	L'Air Liquide/*Paris*	1986	1 billion
Texas Commerce Bancshares/*Houston*	bank holding company	Chemical New York Corp/*NY*	1987	1.1 billion
Houston Chronicle/*Houston*	newspaper	Hearst Corp/*NY*	1987	415 million

*Estimated price for 85% of building.

(4 less-expensive emporiums, down from 11 big stores and 8 boutiques), Sakowitz will soon be 80% owned by Hooker Corp. of Australia. True-blue Texans who want to buy luxury goods at Texas-owned stores now have only Frost Brothers, owned by Dallas investor Sam Wyly, to turn to.

Plenty of publications, besides *Texas Business,* are going, too. Dow Jones & Co. just bought a minority interest in Mediatex Communications, parent of the enormously successful *Texas Monthly* magazine. Hearst Corp. recently paid $415 million for the *Houston Chronicle;* it also owns the *San Antonio Light.* San Antonio's other paper, the *Express News,* is owned by Rupert Murdoch's News America Corp.

One Texan, though, is buying back newspapers. Aspiring media baron William Dean Singleton bought the *Dallas Times Herald* from Los Angeles' Times Mirror Co. last year and the *Houston Post* from Toronto Sun Publishing Corp. last month.

The reason for all this is easy to discern. "We're desperately short of capital," says SMU's Weinstein. And still feeling more than a bit shaky about the future. Which is one reason the state's irascible governor, William P. Clements, set up a New York luncheon last month—to beg more than two dozen corporate chiefs who already have Lone Star outposts for more Texas investment. (Sedco, the offshore drilling contractor that Clements founded, was sold to New York-based Schlumberger in 1984.) Houston's mayor has twice gone to Japan looking for fresh money.

Will this take Texans down a peg or two, make them stop bragging so much about the glories of the Lone Star State? Not likely. "For 25 years I've had Northerners asking me, in effect, 'When are you people going to stop being peculiar and start acting like the rest of us?' " says T.R. Fehrenbach, author of *Lone Star,* the standard historical text on the state. "The answer is, probably never. We'll cling to the myth of independence and empire forever."

But it gets to be more of a myth with each passing day. ■

The worst real estate market in the country? Houston? Nah. Denver? Nope.

Welcome to the capital of Texas

By William P. Barrett

How about a leisurely stroll around downtown Austin (area pop. 750,000). Over on Congress Avenue near the Colorado River sits the 30-story One Congress Plaza office building, four months old and 80% empty. A few blocks north at Brazos and Seventh streets is 16-story Austin Centre, one year old and 85% empty. The 20-story First City Centre building is nearby, four years old, one-fifth empty but just posted for foreclosure.

Nice market for bottom fishing if you have the cash and the right attitude. Not many do these days. The capital of Texas now has the largest office vacancy rate of any big metropolitan area in the nation, 39.6% of its 23 million Class A square feet, according to Coldwell Banker Commercial Real Estate Services. The Austin residential market isn't so hot, either. House prices are down, and about 14% of its 86,000 apartments are empty. By several estimates, more than 80% of Austin homebuilders are now "inactive." That's the polite word in Texas for out of business.

The surprise here is that only a tiny part of this disaster can be blamed on the crash in oil prices. Unlike Houston or even Dallas, Austin never had much energy-related business. Indeed, the oil blues have created some new jobs in Austin. State government home offices, for example, are now swollen with bureaucrats transferred from field offices shuttered by oil crash budget cuts.

Austin, however, is an object lesson in quite another brand of overreaching and optimism, Texas style. As recently as three years ago, this quiet and lovely city, nestled in the hill country of the state's south-center,

Statistical Spotlight

Suppose you want to spend your income without impairing your capital. What kind of yield can you allow yourself in an inflationary economy?

Sustainable yield

By William Baldwin

"DON'T DIP INTO CAPITAL," said our conservative forebears. When most capital took the form of land, that admonition was easily heeded. The owner of an estate lived off its fruits and sold acreage only when the sheriff was at the door.

The question is a little trickier if capital is a portfolio of securities. Given inflation—and inflation usually is given—some portion of the total return must be reinvested merely to maintain the estate. Spend the entire coupon from a bond and you may find, a decade later, that the principal's purchasing power is half gone. Or worse.

Stocks, on the other hand, hold out the hope of keeping their owners whole, so long as capital gains are reinvested and only the dividends are spent. Charles Ellis of Greenwich Associates, business strategy consultants, gives an example: "You could invest the portfolio and get 4% in dividend return. That dividend you could realistically expect to grow at 6%, which would be just about enough to offset the ravages of inflation." The principal, presumably, would also appreciate at 6%, keeping a level value in real terms, he says.

Sounds reasonable, but it's not so simple to do. It's not easy to find stocks with good yields, well covered by earnings and cash flow, and a history of keeping dividends up with the cost of living. Indeed, on the Value Line compact disk of 1,666 common stocks, we found only 21 that meet what we feel are reasonable criteria for providing both income and inflation protection. Here were our specific criteria:

Yield of 5% or more.

Earnings and dividends per share growing over the past decade at least as fast as the price index.

Forecast for 1988 earnings no lower than 1986 earnings.

Current dividend payout no greater than 75% of earnings and no greater than 50% of cash flow, which Value Line defines as earnings plus depreciation and amortization.

In short, the income from this assortment of stocks should be fairly safe for the time being.

Even this basket of stocks wouldn't necessarily do the trick: Alas, taxes must be paid not only on the dividend income but also on capital gains. Some or all of those gains will not be true income at all but will merely maintain the investor's purchasing power. In short, after taxes and inflation, the stockholder who is investing for income may be lucky to have as much as a 4% spendable annual return. If he takes more, he may be dipping into capital.

A further caution is in order. This list, like any list of high-yield stocks, contains a heavy dose of utilities. They may not survive the next bout of inflation as well as they have the last one. The tobacco stocks don't have that problem, but they have lawsuit risks. It's hard to find a stock that has everything right with it.

Put it this way: Unless you've got an awful lot of capital, living well off it without penalizing your heirs isn't easy. ■

Steady income

These companies have kept payouts up with inflation since 1977.

Company/business	Yield[1]	Price	Per-share growth[2] earnings	Per-share growth[2] dividends	Ratio dividends to earnings	Ratio dividends to cash flow
New England Electric/NE elec util	8.5%	24⅜	10.0%	7.5%	64%	31%
Providence Energy/gas distrib	7.3	27	17.5	10.5	63	40
Florida Progress/Fla elec util	7.0	35⅜	7.5	8.0	66	37
Consolidated Edison/NYC elec util	6.9	43⅜	9.5	14.5	66	43
Southern Indiana Gas/elec & gas distrib	6.8	32½	8.0	9.0	64	34
Shell Transport/oil production	6.8	70¾	7.5	16.5	54	24
National Fuel Gas/gas distrib	6.5	18⅜	9.5	8.0	64	34
UtiliCorp United/Missouri elec util	6.4	16	9.5	8.5	59	29
Joslyn/electric components	6.4	24¼	8.5	10.0	61	48
Am Bankers Ins/insurance	6.3	7⅞	13.5	10.0	38	19
Questar/gas distrib, explor	6.0	31⅜	8.0	8.5	60	30
DeSoto/paints, coatings	6.0	23⅜	14.0	11.5	66	26
Louisiana Gen Serv/gas distribution	5.9	11⅛	9.0	11.5	48	18
Countrywide Credit Ind/mtgage bnking	5.7	6⅛	39.5	22.0	20	17
Chemed/cleaning products	5.3	30¾	9.0	16.5	32	24
UST/snuff, chew tobacco	5.2	24⅞	17.5	18.5	53	46
Aon[3]/individual insurance	5.2	23¼	9.5	13.0	40	NA
Barry Wright/computer furniture	5.1	12⅛	15.0	19.0	72	37
Lincoln Telecomm/Nebr tele util	5.0	23	8.5	9.5	52	20
Federal-Mogul/auto components	5.0	31¾	11.5	8.0	71	30
American Brands/cigarettes, liquor	5.0	42⅜	12.0	11.5	51	40

[1] Based on estimated dividends, next 12 months. [2] Past 10 years. [3] Formerly Combined Intl.

Source: Value Line Investment Services via Lotus One Source.

Numbers Game

Give insurers a free lunch, and they'll complain that you forgot the champagne.

Fresh-start blues

By Jill Andresky

IF ANYONE WANTS PROOF that numbers can lie, he need look no further than the rosy earnings being racked up by property-casualty insurers this year: 60% in gains for CNA Financial; 20% for Aetna; a dramatic $1.50 a share turnaround for Orion Capital, which last year lost $10.77 a share.

Those numbers are illusory. They come not simply from management prowess but from a lobbying drive by the insurance industry to recoup at least part of its losses from last year's Tax Reform Act. The result: a massive, multibillion-dollar freebie called the fresh-start tax credit. Without it, CNA's earnings growth would be only half as impressive as it appears. Many other big companies would also be hard hit *(see table)*.

Unfortunately, because disclosure rules are lax, investors typically will have to hunt through annual report footnotes to find any mention of how the tax credit has distorted earnings results. The Financial Accounting Standards Board is due to release new rules on deferred tax liabilities this month, but these will give companies so many different options about when to report fresh-start credits that comparing results between insurers will become next to impossible.

What exactly is fresh start? It all goes back to the industry's glory days before tax reform, when property-casualty insurers were allowed 100% tax deductions against current income for loss reserves set aside that year—even if the reserves might not have to be touched for many years.

Behind the veil

How much will the fresh-start tax credit distort property-casualty insurers' performance results in 1987? Let's compare last year's reported operating earnings for eight large insurers with this year's projections—with and without the fresh-start benefit.

Company	-1986 EPS	—1987 estimated EPS— (without fresh start)	(with fresh start)
Aetna	$6.18	$6.60	$7.75
American Intl	5.10	4.04	4.64
CNA Financial	4.02	5.15	6.40
Continental	3.32	4.60	5.30
Fireman's Fund	2.35	–0.20	1.00
Geico	6.91	8.25	9.15
St Paul Cos	3.33	5.80	7.30
Transamerica	2.55	3.50	3.80

Source: Fox-Pitt, Kelton.

Under tax reform, companies now must actuarially discount and carry forward the remaining amount of the deduction annually over the likely life of the loss payment. That means higher taxes each year and thus lower reported earnings than before the enactment of reform.

Property-casualty insurers fought back, and the result was fresh start, which provides that companies that have already deducted reserve funds against income in prior years now get to deduct a portion of those reserves a second time—this time as an actual credit against taxes owed. The reforms could have been instituted without fresh start, but the credit helped pacify the irate property-casualty insurers.

Companies have three years in which to take advantage of the credits, and the provisions for doing so are numbingly complex. But as a basic rule of thumb, the longer a company's property-casualty policies tend to take to pay out, the larger its fresh-start benefits will tend to be. That means companies like St. Paul Cos., one of the country's largest property-liability insurers, which relies heavily on medical malpractice, will benefit more than Geico, which writes quick-payout car policies.

But once the credits are used up, earnings of fresh-start beneficiaries will drop to where they otherwise would have been. "It's the equivalent of eating a candy bar at 4 in the afternoon," sniffs Peter Burgess, head of Arthur Andersen's insurance audit and accounting practice. "Companies get an immediate high and then fall into a depression half an hour later."

What's an investor to do? Some analysts have decided to factor out fresh start from their forecasts entirely. By contrast, accounting rulemakers have decided to leave the matter of how to treat the credit's gains for reporting purposes up to the companies themselves. "Fresh start is just considered another factor in this year's tax calculations—not an extraordinary item," says Brian Zell, a senior manager in the insurance practice of Ernst & Whinney. "It's really up to companies to decide if the amount is 'material' and worth disclosing somewhere as a separate item."

By 1989 the credits will have worked their way through and off the industry's books, and insurance company earnings will once again begin to reflect the nature of the business and the competitive abilities of the companies involved. Meanwhile, insurance industry investors face a familiar problem: groping for clues in the dark.

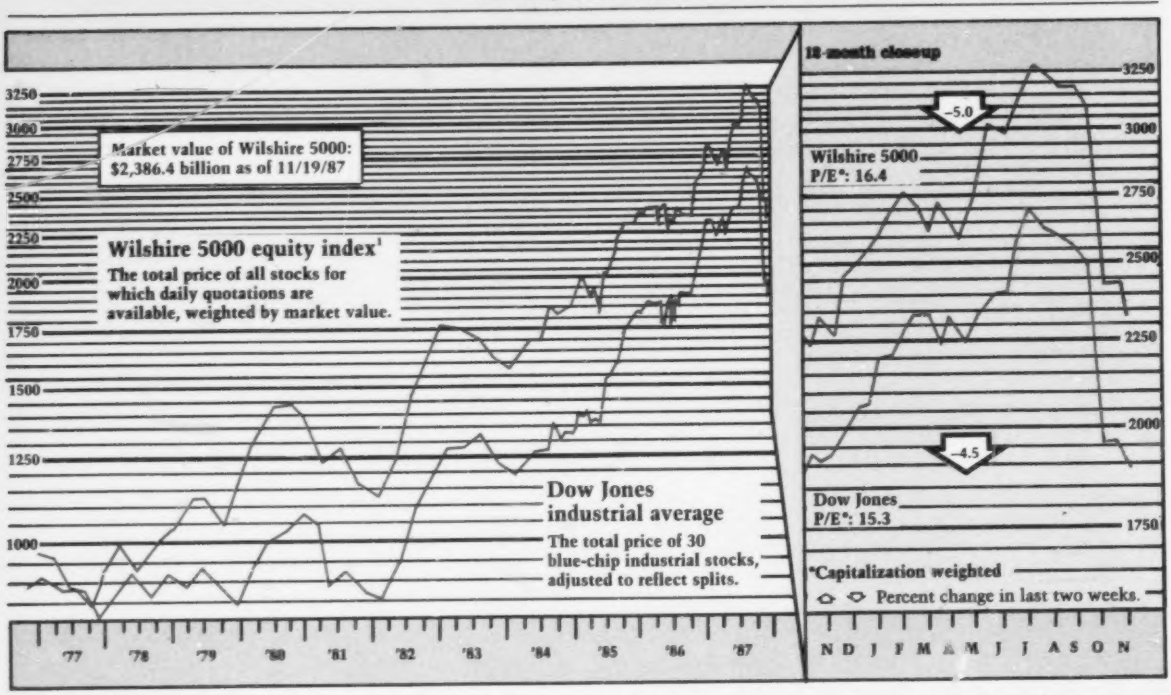
Behind the ESOP surge

The rubble from Black Monday had barely stopped bouncing when the employee stock ownership plan at Dennison Manufacturing set out to borrow $20 million to buy stock in the Framingham, Mass.-based office supplier. With the stock now at around 23½, down from its summer high of 35, the ESOP intends to buy 750,000 shares, boosting its ownership of Dennison from 14% to 19%.

Dennison's isn't the only ESOP

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



More fallout. Efforts to fix the damage from Meltdown Monday went for naught during the last two weeks. The overall market, as measured by the Wilshire index, lost $122 billion, or 5%. Investors, still smarting from the October decline, were put off by continued weakness in the dollar and lack of firm progress on the budget deficit.

Although prices moved lower, daily price swings and trading volume returned to more normal levels. The market cooled down despite the resumption of programmed trading and the return to normal-length trading sessions. The cash in money market funds hit a record $306 billion, according to the *Money Fund Report*, a Holliston, Mass.-based newsletter that tracks money market funds. Will this money go back into stocks? Perhaps. Although analysts have slashed 1988 earnings estimates, the Forbes Sales 500, for example, are priced at a relatively low 9.6 multiple of estimated 1988 earnings. The risk is that the forecast may be too high.

Closeup On the Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	–4.3	–3.4	–2.8	–3.4	–10.1	–6.6
in last 52 weeks	–4.2	–2.3	1.9	–3.1	–7.6	–10.9

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	–2.8	–5.3	–6.7	–3.3	–7.2	–4.9	–2.5	–6.5	–5.9	–2.8	–2.9	–7.7
in last 52 weeks	–3.4	8.8	13.5	3.8	–10.5	–9.0	–6.0	20.0	15.0	–3.9	–2.9	3.2

[1] Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2] Based on sales. [3] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

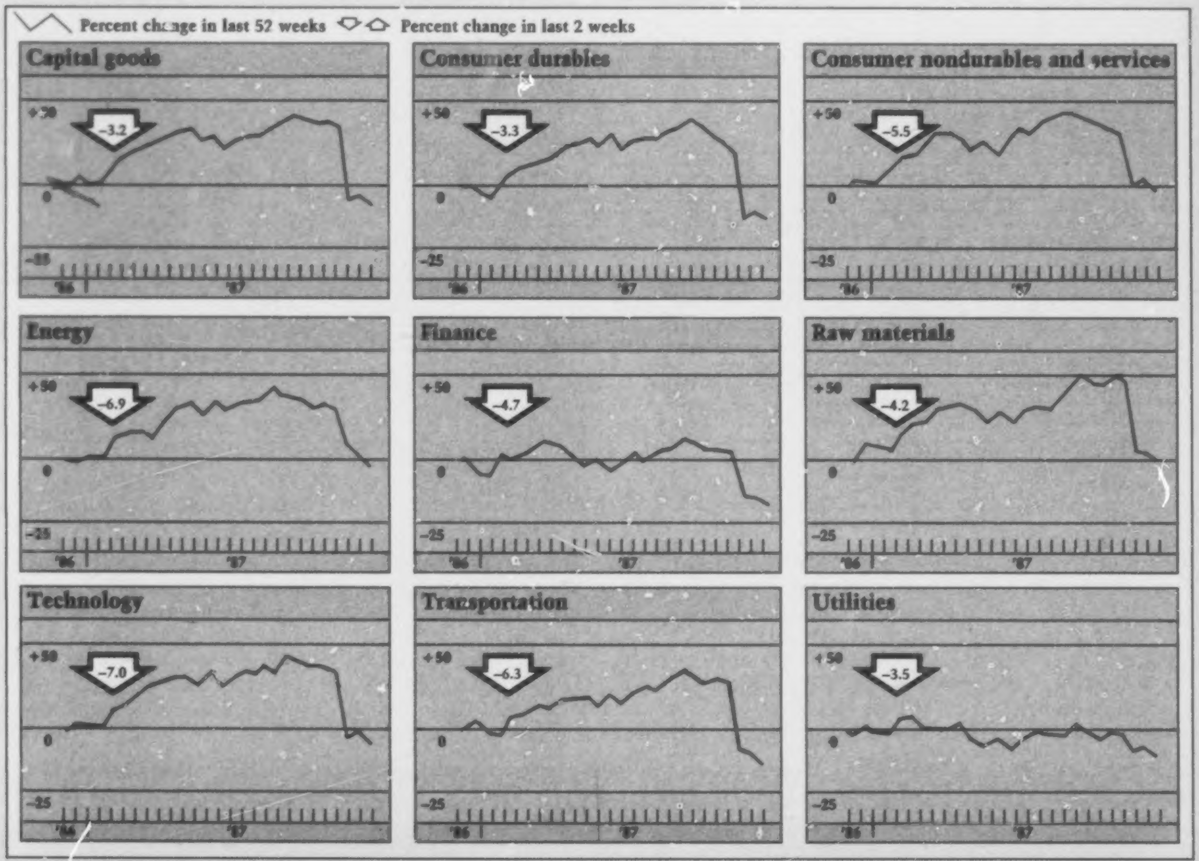
Gav French

Note: All data for periods ending 11/19/87. Prepared by Wilshire Associates, Santa Monica, Calif.

Where the Action Is

Losers everywhere. Compared with Oct. 19, the recent two-week decline looks mild. Nevertheless, a broad group of stocks suffered significant losses. Three sectors did miserably: technology, energy and transportation. Technology saw Prime Computer, General Instrument, Tektronix, Texas Instruments and Intel suffer losses ranging from 17% to 24%. The sector's fourth-best-performing stock was Thomas & Betts, which was off 0.5%.

Energy and transportation also had losers among their top performers. Laidlaw Transportation and Federal Express, the fourth- and fifth-best performers in transportation, were off 1%. The largest losses were racked up by AMR, Ogden, Roadway Services, Yellow Freight and Texas Air.



What the Analysts Think

Last hurrah? In the last two weeks analysts raised their 1987 earnings estimates for the consumer durables sector by 2.4%. General Motors, B.F. Goodrich, Ford and Goodyear show higher 1987 forecasts. For 1988, however, analysts are now cutting about two consumer durables estimates for every one they increase.

Forecasting the Forbes Sales 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.33	15.4
1987 estimates	2.86	12.6
1988 estimates	3.75	9.6

Rank based on change in estimate	Sector	Estimated 1987 EPS	Estimated 1987 P/E	% change in 1987 estimate in 2 weeks	% change in 1987 estimate in 4 weeks
1	Consumer durables	$4.75	10.4	2.43%	3.02%
2	Raw materials	2.44	12.5	1.27	1.19
3	Utilities	2.38	9.7	0.21	0.21
4	Technology	2.46	13.2	–0.16	–0.57
5	Consumer nondurables	2.34	13.4	–0.33	–0.59
6	Capital goods	2.18	16.3	–0.61	–0.64
7	Energy	2.35	14.1	–0.81	–0.55
8	Transportation	2.03	12.8	–1.95	–2.30
9	Finance	1.43	17.7	–5.68	–7.38

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continually by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 11/19/87. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

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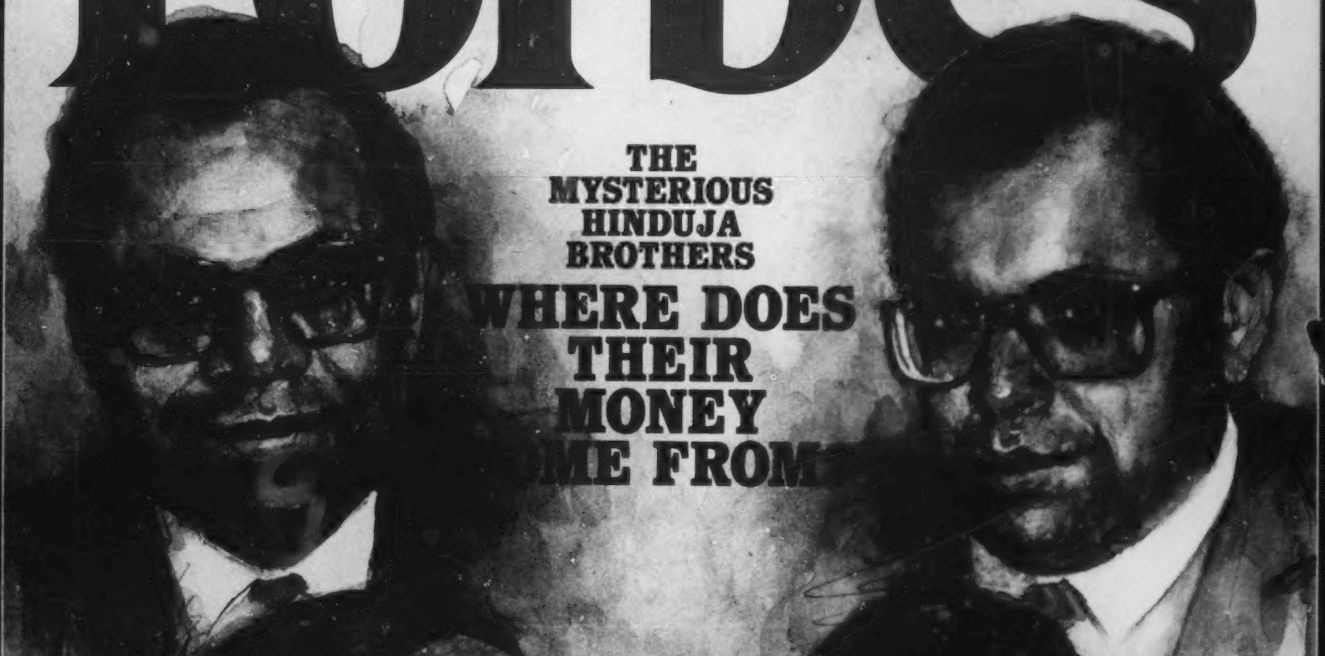
BARGAINS IN THE "PINK SHEETS"?

MSF INTERVIEWS FRANÇOIS MITTERRAND

DECEMBER 28, 1987

THREE DOLLARS FIFTY CENTS

Forbes



THE MYSTERIOUS HINDUJA BROTHERS

WHERE DOES THEIR MONEY COME FROM?

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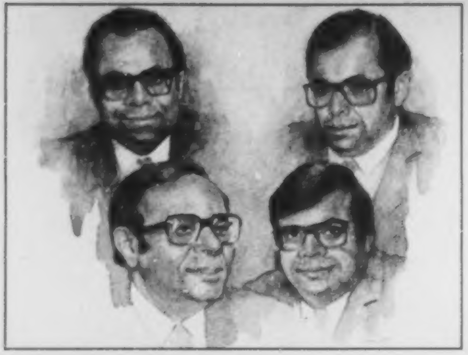

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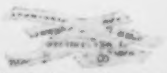

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Readers Say

Hard times ahead

Sir: Your article "The stock market is a lousy economic forecaster" *(Nov. 30)* concludes that the 1987 experience is a mere correcting of the market's own excesses. However, since 1955, the DJIA has dropped at least 19% on nine occasions. After eight of those nine declines, the rate of real GNP growth fell an annualized quarterly average of about 3.5% in the four quarters following the market peak.

With today's economic growth rate running at just above 3%, a drop in the growth rate near the historical average could push us to the brink of recession.

—Raymond Worseck
Economist,
A.G. Edwards & Sons, Inc.
St. Louis, Mo.

Sir: For the past six months, miniskirts have been coming back into style and look what has happened to the market. Just how high do skirts have to go for the market to act in traditional fashion?

—Alan R. Greenwald
Wheeling, Ill.

All down the line

Sir: Burlington Northern stock could be worth $140 a share if Dick Bressler ("All alone by the telephone," *Nov. 16*) would only realize that a great number of Burlington trains operate at half the speed of the competitive trucking industry. This is not due to employee contracts. I am hopeful that Bressler and his top-line officers will soon build or buy a business car that accommodates some common sense. Additionally, I am hopeful some of the ego would be left at the station.

—Ray L. Lineweber
Director,
United Transportation Union
Lincoln, Neb.

Guess who?

Sir: Your article "Does Guess have a friend in the IRS?" *(Nov. 16)* has effectively destroyed my reputation and has done great harm to me, my family and the IRS. It is clear Forbes has not corroborated the alleged facts or you never would have presented the many inaccuracies that exist in the article. As a result I asked the Internal Security Division of the IRS to investigate the allegations against me, which they are now doing. I will gladly share the results of this investigation when it is completed.

—Ronald E. Saranow
Tarzana, Calif.

Forbes' *story was thoroughly researched and the facts corroborated. Mr. Saranow was personally offered an interview opportunity prior to publication, yet declined. As Mr. Saranow knows, and the IRS has confirmed, the Service was investigating the allegations against him long before our article appeared.*—Ed.

Sir: I was employed at Guess but left after nearly two years as head of production. Since my departure I have talked with numerous reporters and writers who were going to write about what was going on. After endless hours spent telling the story, I never read one article. Congratulations.

—Marcia L. Knotts
New York, N.Y.

More reserves

Sir: Newmont Gold Co. was listed in "There really is gold in them thar hills" *(Nov. 30)* as having only 5.6 million ounces in reserve. The correct number is 14 million ounces.

—James F. Hill
Vice President Corporate Relations,
Newmont Mining Corp.
New York, N.Y.

Education 101

Sir: It's hard to believe that the two sample questions in your article "This isn't school" *(Nov. 16)* represented the most difficult the SAT has to offer. Standards must have deteriorated since I took the test in 1970. The time spent eliminating incorrect answers outweighs the time it would take to deduce the correct answer. This tactic could prove fatal in a timed examination.

—Michael S. Vallone
Rosemont, Ill.

Sir: Your editorial on education *(Fact and Comment, Nov. 16)* refers to "undergraduate slide-rulers." Are slide rules still in use? Does the fact that I understand your reference mean that I am getting old?

—Stephen M. Goodman
New York, N.Y.

Thar she blows

Sir: Your article "Dollars ahoy!" *(Nov. 2)* dismisses the sailing segment of the boating industry as "elitist," requiring too much effort and training. Sailing has never been easier and requires relatively few, easily learned skills beyond those required by any boater, power or sail. The article has done a disservice to the sailboat industry and sailors alike.

—Bob Johnson
Largo, Fla.

Overstated

Sir: Your article "List of opportunity?" *(Nov. 16)* overstated the extent and value of my investment in Addison-Wesley. It should have read 2.3%, not 23.6%.

—Donald R. Hammonds
Chairman,
Addison-Wesley Publishing Co.
Reading, Mass.

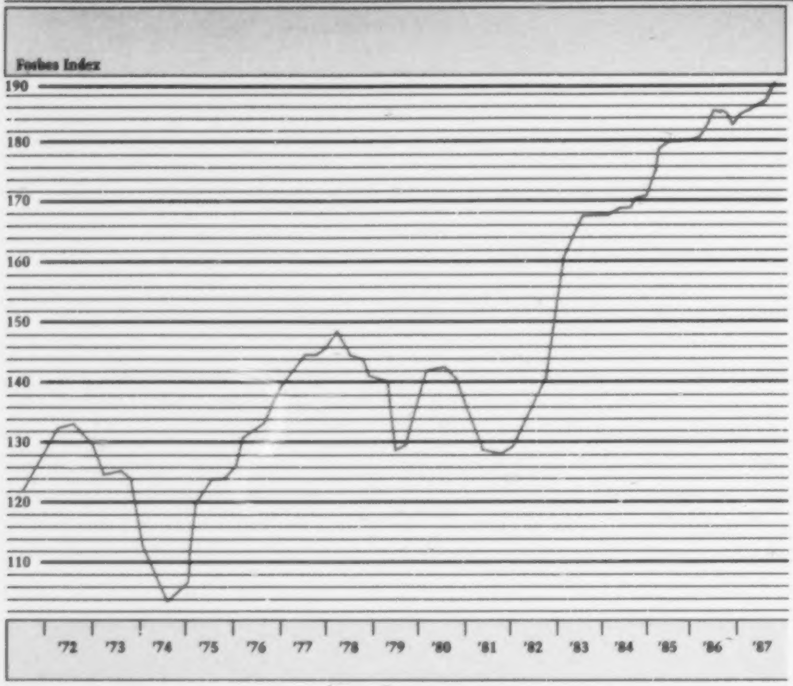
Doggie to-do

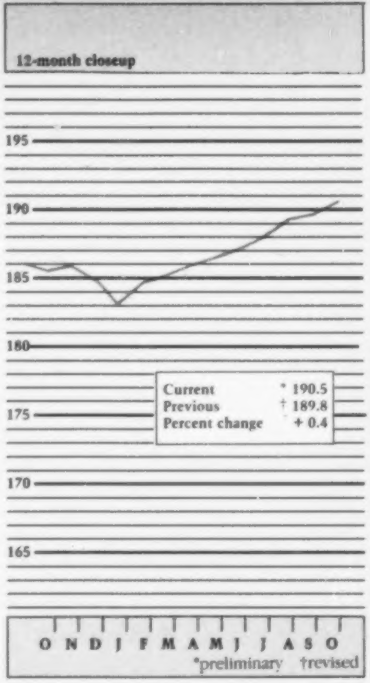
Sir: When Seattle Slew won the Derby, was it considered social climbing because his owners came equipped for the race? When Dennis Connors won the America's Cup did it make it less of a win because Connors wasn't a member of the New York Yacht Club? When Jimmy Connors won Wimbledon, did it diminish the victory because he didn't belong to the Royal Family? Then why is it "social climbing" ("The status game is afoot," *Nov. 2*) when the Reeses win at Madison Square Garden?

The dog game is not about social climbing. It is about dogs.

—Denny Kodner
Highland Park, Ill.

The Forbes Index





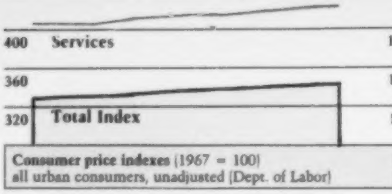
Climbing in turbulence. The Forbes Index managed to gain 0.4%, for a ninth consecutive increase. But weakness in manufacturing limited the gain. The ratio of manufacturers' new orders for durable goods (three months through October) to inventories (October) fell 0.3%.

Personal income went up 0.7% from September to October, to an annualized level of $2.26 trillion. And modest increases in the cost of living also boosted the Forbes Index. The cost of commodities, pushed up by higher costs for imported apparel, went up 0.4% in October. Services rose 0.2%, and the overall CPI increased 0.3%. Wall Street's decline may eventually take its toll. But through October the Forbes Index has grown at a 3.9% annual rate, vs. 3.3% for the same period last year.

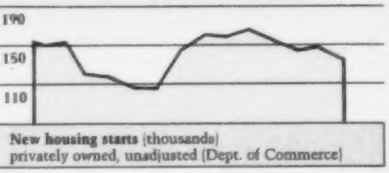
The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

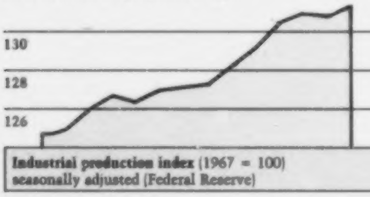
To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



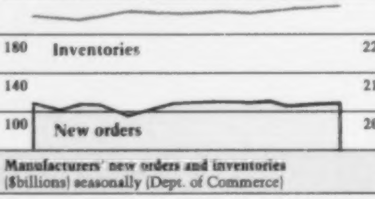
Consumer price indexes (1967 = 100)
all urban consumers, unadjusted (Dept. of Labor)



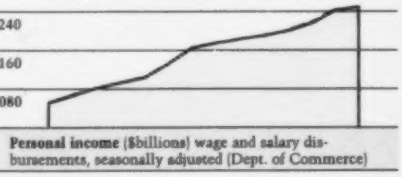
New housing starts (thousands)
privately owned, unadjusted (Dept. of Commerce)



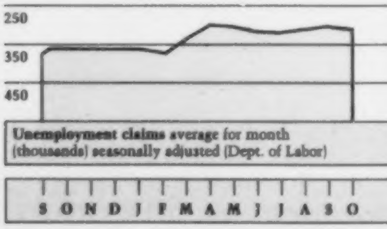
Industrial production index (1967 = 100)
seasonally adjusted (Federal Reserve)



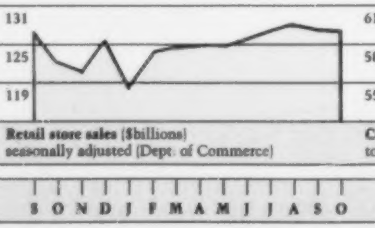
Manufacturers' new orders and inventories
($billions) seasonally (Dept. of Commerce)



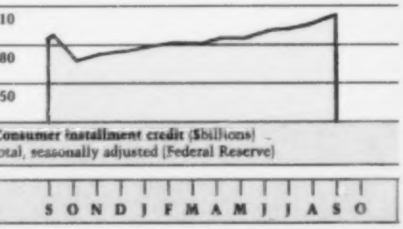
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month
(**thousands**) **seasonally adjusted** (Dept. of Labor)

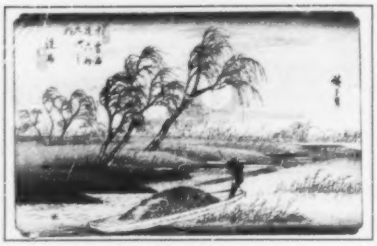


Retail store sales ($billions)
seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions)
total, seasonally adjusted (Federal Reserve)

tect. Indeed, some Japanese claim they are reluctant to invest more heavily in *Ukiyo-e* because some prints are so hard to authenticate. Facsimile reproductions, made in Japan and sold to the West at the turn of the century as reprints of rare masterpieces, become faded and worn and may go on the market as genuine. At a Sotheby's auction in London in 1974, for example, a copy of a well-known Nishimura Shigenaga print, reproduced by the skillful facsimile maker Takimizawa in the 1920s, slipped into the Henri Vever collection and was passed off to an unwary investor (it was later returned).



A Hiroshige landscape
$28,600 to $107,000 in 8 years.

If you are serious about collecting, Christie's Izzard advises buying early, fine impressions in good color. Don't buy damaged and faded late impressions. The better quality the print, the easier it is to resell. Be wary of inexpensive prints, caution the experts. Consider prints above $2,000.

How has the British Rail Pension Fund fared with its entire art portfolio? The fund, criticized for speculating in art more than a decade ago, invested less than 5% of its total assets in some 2,000 works of fine art and collectibles.

To date, with the exception of the Japanese prints and some other small collections, notably Old Master prints and silver *(see below)*, the fund's return has been unexceptional. Says British Rail's David Andrews, "We've just managed to beat inflation," noting that the fund's annual rate of return on artwork has barely topped 10%. ■

Sotheby's Art Market Trends

Index sectors	Nov 1987	One month ago	One year ago	Two years ago	Five years ago	One month % change	One year % change	Two year % change	Five years % change	Five years average annual % change
Old Master paintings	349	349	303	289	199	nil	+15.2	+20.8	+75.4	+11.9
19th-century European paintings	323	323	267	249	184	nil	+21.0	+29.7	+75.5	+11.9
Impressionist & Post-impressionist art	661	661	432	371	268	nil	+53.0	+78.2	+146.6	+19.8
Modern paintings (1900-1950)	666	666	429	342	254	nil	+65.2	+94.7	+162.2	+21.3
Contemporary art (1945 onward)	609	597	551	497	342	+2.0	+10.5	+22.5	+78.1	+12.2
American paintings (1800-pre-WWII)	789	789	687	635	449	nil	+14.8	+24.3	+75.7	+11.9
Continental ceramics	320	320	290	284	266	nil	+10.3	+12.7	+20.3	+ 3.8
Chinese ceramics	550	550	486	486	462	nil	+13.2	+13.2	+19.0	+ 3.5
English silver	381	349	338	306	189	+9.2	+12.7	+24.5	+101.6	+15.1
Continental silver	220	201	201	178	134	+9.5	+ 9.5	+23.6	+64.2	+10.4
American furniture	459	459	404	330	213	nil	+13.6	+39.1	+115.5	+16.6
French & Continental furniture	319	319	299	273	234	nil	+ 6.7	+16.8	+36.3	+ 6.4
English furniture	634	594	485	382	267	+6.7	+30.7	+66.0	+137.5	+18.9
Aggregate index*	482	477	376	336	255	+1.0	+28.2	+43.5	+89.0	+13.6

Basis: 1975 = 100 ($).

©Sotheby's 1987

*Contemporary art was added to the Art Index in September 1987. The aggregate index excludes this category prior to that date.
Sotheby's Art Market Trends reflect subjective analyses and opinions of Sotheby's art experts, based on auction sales and other information deemed relevant. Nothing in Sotheby's Art Market Trends is intended as investment advice or as a prediction or guarantee of future performance or otherwise.

Monthly highlights

Art markets around the world exhibited substantially greater strength than the financial markets last month.

Leave aside the Vincent van Gogh painting "Irises," which, only days after the mid-October stock market crash, sold for $53.9 million—the most expensive artwork ever sold at auction. More telling was the competitive bidding across the board for Impressionist paintings, drawings and sculpture. Sotheby's sold $84.3 million (not counting the van Gogh) and Christie's sold $50.6 million of Impressionist art in the span of four days.

Index highlights

Early November auctions in New York proved that the market for contemporary paintings remains strong, but the increased bidding at middle and lower levels of quality seen in recent months seems to have abated.

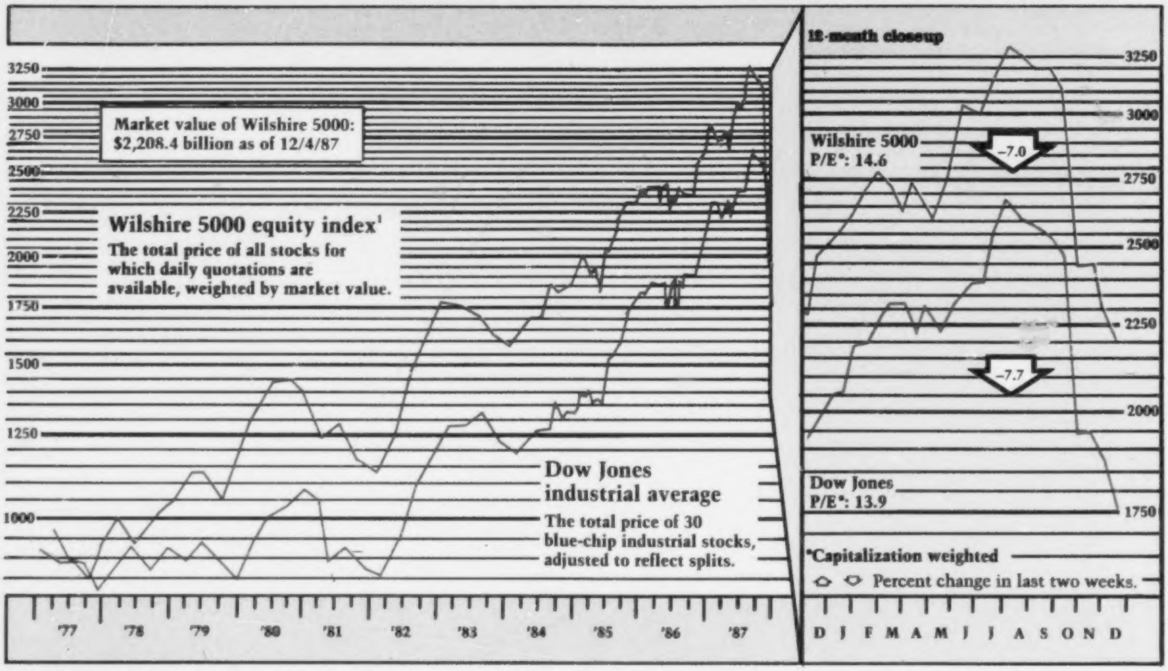
Sales of Chinese porcelain in Hong Kong were extremely successful. Results included a world auction record of $959,000 (HK$7,480,000) for a 14th-century blue-and-white Yuan porcelain dish.

In London, sales of English silver included a number of important pieces from the British Rail Pension Fund's portfolio of artworks formed in the 1970s. Results were strong. Prices for their 28 pieces totaled $2,228,000, over five times the initial purchase cost.

Overall, auction buyers this month gravitated toward top-level artwork, regardless of the collecting field. They were more discriminating, however, when it came to items that had been on the market recently or that were of less than blue-chip quality, accounting for a higher unsold percentage than seen in recent seasons.

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen


Market value of Wilshire 5000: $2,208.4 billion as of 12/4/87

Wilshire 5000 equity index[1]
The total price of all stocks for which daily quotations are available, weighted by market value.

Dow Jones industrial average
The total price of 30 blue-chip industrial stocks, adjusted to reflect splits.

12-month closeup

Wilshire 5000 P/E*: 14.6

Dow Jones P/E*: 13.9

*Capitalization weighted

⇧ ⇩ Percent change in last two weeks.

Another meltdown? Wall Street still hasn't resolidified. On Dec. 4 the Dow industrials came less than five points away from their Oct. 19 nadir before rebounding and finishing 28 points above it. But the capitalization-weighted Wilshire index of 5,900 issues shows that the overall market is in worse shape than it was after the October panic. In fact, the Wilshire finished each of the last five sessions below its Oct. 19 bottom of 2310. The past two weeks have been a disaster, with blue chips suffering even larger losses than secondary shares. The Amex is off 4.4% and the Nasdaq 6.5%, while the Dow is down 7.7% and the NYSE 7.1%. The Wilshire index shows that the overall market is off 7%. If there is any consolation to be gained from this misery it is that earnings haven't fallen—yet. At the end of September the Wilshire index was selling for 21.7 times latest 12-month earnings. In just the last two weeks the Wilshire P/E has dropped from 16.4 to 14.6.

Closeup On the Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	−10.2	−10.6	−9.8	−10.1	−9.1	−10.4
in last 52 weeks	−13.4	−12.2	−8.2	−12.4	−13.4	−19.5

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	−10.5	−8.7	−11.8	−4.5	−10.8	−8.0	−6.0	−6.9	−10.7	−6.3	−9.2	−9.4
in last 52 weeks	−13.0	0.9	3.0	−0.8	−18.8	−15.2	−10.9	11.1	5.2	−9.7	−11.7	−2.5

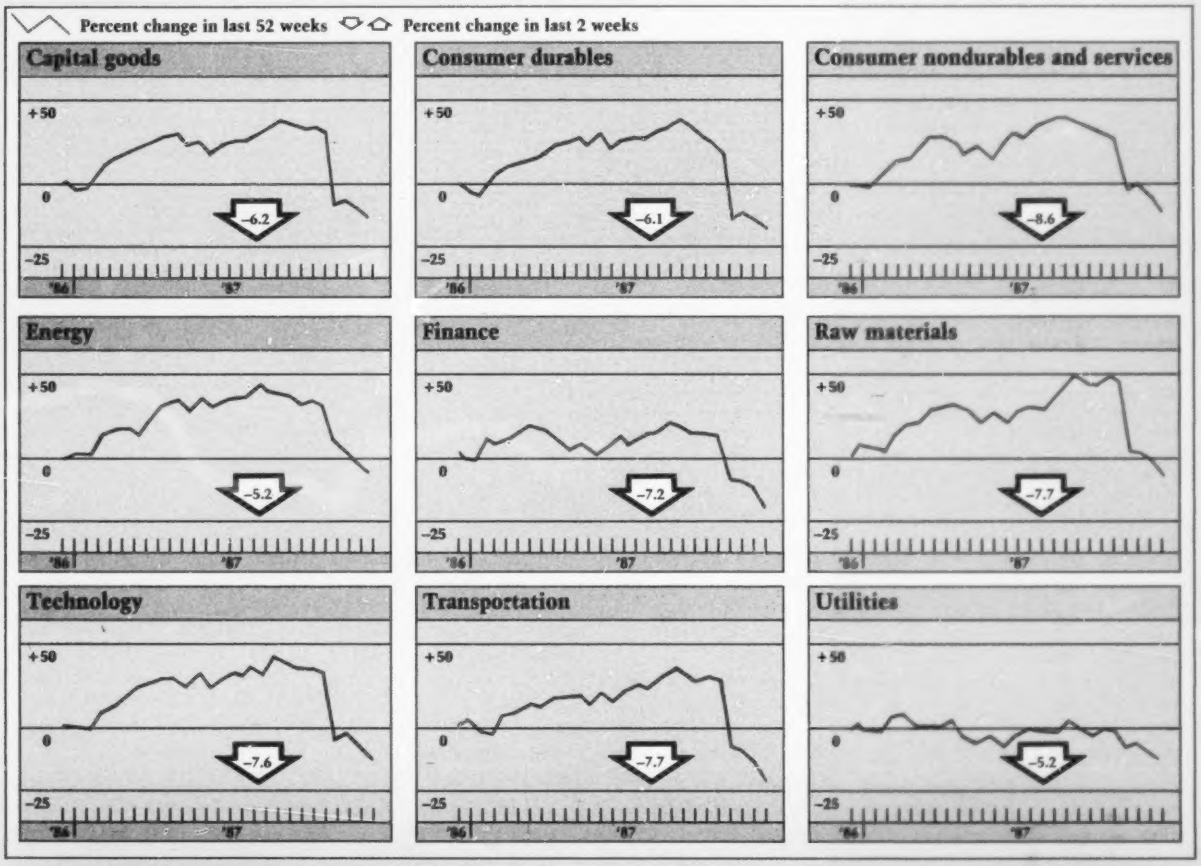
[1] Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2] Based on sales. [3] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 12/4/87. Prepared by Wilshire Associates, Santa Monica, Calif.

Gay French

Where the Action Is

Utilities held up—but only in comparison with the rest of the market. Large yields protected utility stocks as they registered a 5.2% decline against the overall market's 7%. The decline in energy, also 5.2%, was cushioned by indications that Texaco and Pennzoil might be closer to resolving their legal battle. Texaco was up 10%, Pennzoil, 7%. Concerns about consumers' response to the collapse in stocks brought consumer nondurables the worst 2-week score, a loss of 8.6%. In this diverse group Tyson Foods, Brunswick, and Charming Shoppes all lost over 23%. Sharp declines in First Executive, Morgan Stanley and Cincinnati Financial sparked a 7.2% decline in the finance group. In the past 52 weeks investors in finance stocks lost 24.5% of their money.



What the Analysts Think

Low finance. Estimates for 1987 earnings of finance stocks dropped 5.2% in the last 2 weeks and 10.6% in the last 4 weeks. Among the major stocks with sharp 2-week estimate cuts: Republic New York, E.F. Hutton, Stewart Information Services (a title insurance company) and First Federal of Michigan.

Forecasting the Forbes Sales 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.40	13.8
1987 estimates	2.80	11.9
1988 estimates	3.66	9.1

Rank based on change in estimate	Sector	Estimated 1987 EPS	Estimated 1987 P/E	% change in 1987 estimate in 2 weeks	% change in 1987 estimate in 4 weeks
1	Consumer durables	$4.79	10.0	0.72%	3.18%
2	Utilities	2.39	9.2	0.17	0.39
3	Consumer nondurables	2.33	12.4	0.45	-0.78
4	Technology	2.50	12.1	-0.45	-0.60
5	Capital goods	2.16	15.4	-0.80	-0.42
6	Energy	2.34	13.6	-1.00	-1.80
7	Raw materials	2.42	11.8	-1.28	-0.01
8	Transportation	1.97	12.1	-2.09	-4.78
9	Finance	1.36	17.2	-5.15	-10.57

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continually by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 12/4/87. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

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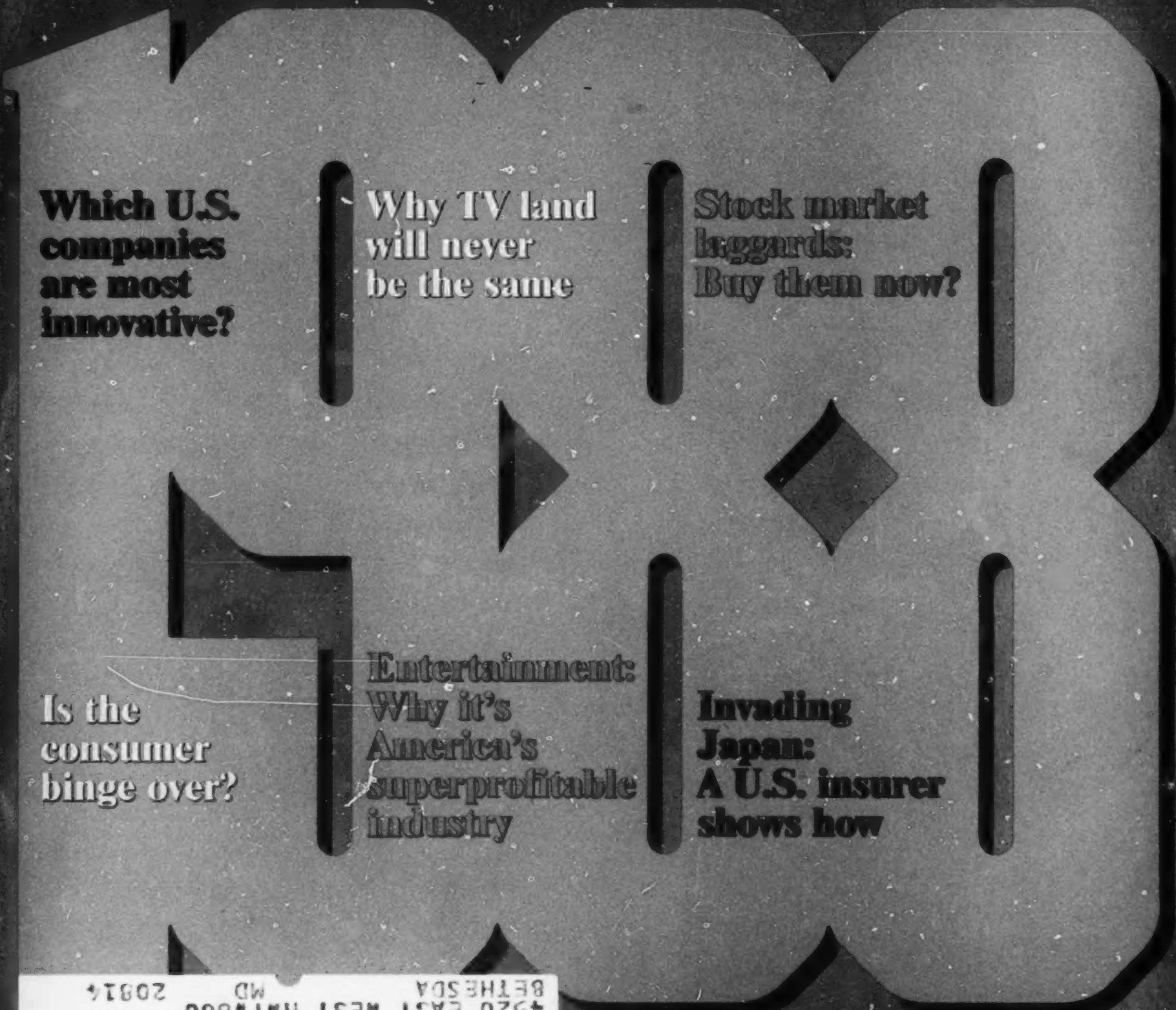

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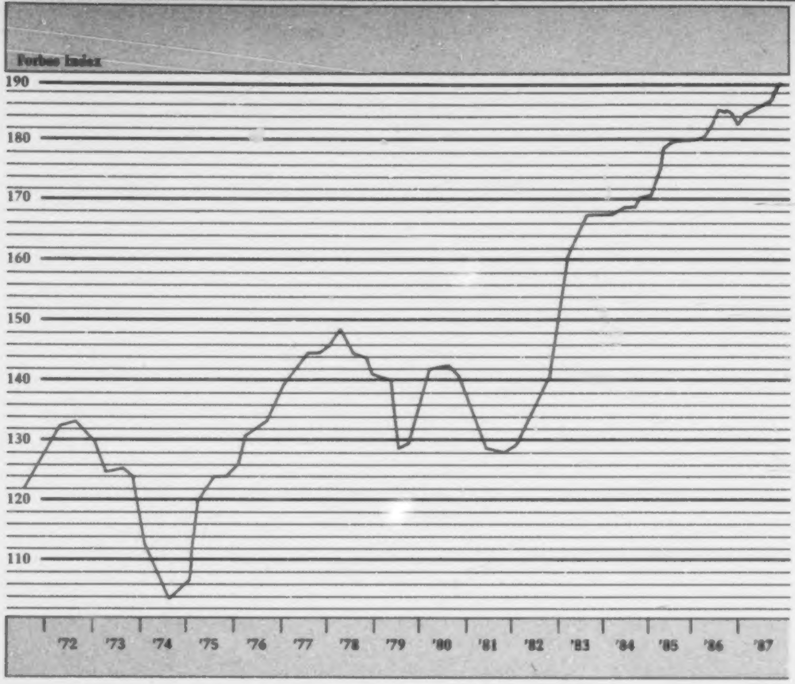
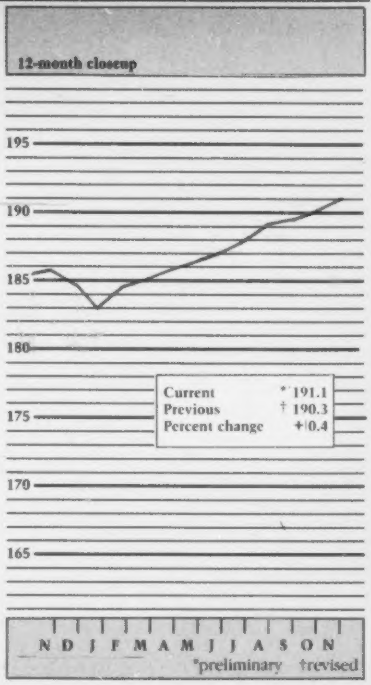
The Forbes Index





Living on borrowed time and money? A 0.4% gain in the Forbes Index shows that, for now, the economy is still moving ahead. Among the few to benefit from the crash on Wall Street were home buyers, since interest rates also fell. That fact is obscured, though, in the 12-month total for new housing starts, up only 0.1% from October to November. Industrial production, boosted by mining and power- and machine-tool manufacturing, increased 0.4% in November. Despite mounting layoffs in Detroit and in the securities industry, the six-month moving average for initial unemployment claims dropped 1.7%. Although retail sales rose 0.2% in November, to $125.9 billion, consumer installment credit rose another 0.9% for the three months ending October, to $606.3 billion.

The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

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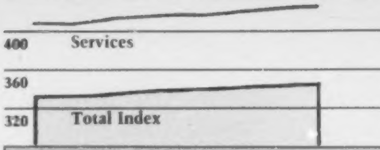
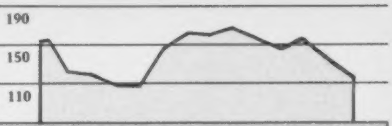
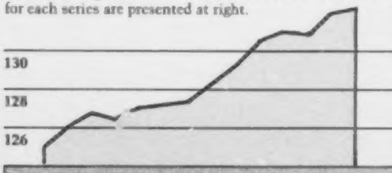


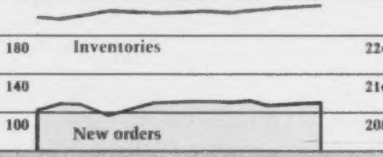
Consumer price indexes (1967 = 100) all urban consumers, unadjusted (Dept. of Labor)



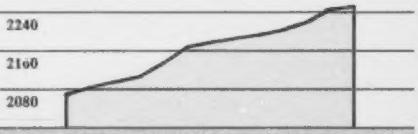
New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)



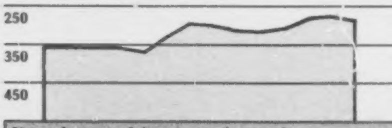
Industrial production index (1967 = 100) seasonally adjusted (Federal Reserve)



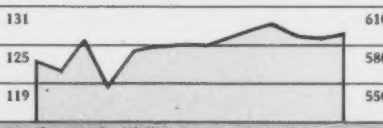
Manufacturers' new orders and inventories ($billions) seasonally (Dept. of Commerce)



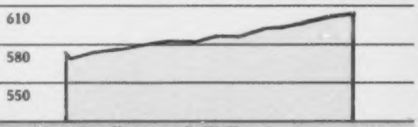
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)



Retail store sales ($billions) seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

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By Steve Kichen

FORBES' 40TH ANNUAL INDUSTRY SURVEY comes at a time when we are anxiously reassessing economic prospects after the nerve-shattering market collapse of October and the fall in the U.S. dollar. All the easy optimism has been shattered. Once again, people are looking at fundamentals, not glittering generalities: How good is this corporate management? How does this company stack up in profitability vis-à-vis its competitors? How leveraged is it? Has it been able to translate revenue growth into sales growth? How well has it treated its investors?

It is just such questions that FORBES' Annual Report on American Industry is designed to answer. And this year we have added a new test of corporate management: How innovative is it? Our editors nominate in this issue the most innovative company in each industry. These are the companies that have shown the creative thinking and flexibility to adapt to changing times—the companies that stand a good chance of leading their industries in the decade ahead.

FORBES selects Hormel as the most innovative food processing company, for example. Hormel may appear to be just another old-line meatpacker. But the company is getting a jump on the rest of the industry in shelf-storable microwave entrées. Cameron Iron Works stands out in the oil group for its work in subsea well completion. Several integrated steelmakers are still struggling out of Chapter 11 reorganizations. But Nucor, a minimill operator, is moving into the big time with its super steel plants. *(For more on innovation in American industry, see p. 50.)* The stocks of these companies should do well even in a rough economy.

The individual industry reports begin on page 70. On page 224 the 31 industry groups are ranked against one another. Then each company is compared with our universe of 1,031 companies in terms of earnings and sales growth *(p. 184)* and profitability *(p. 216)*. On page 249 is an alphabetical listing of all survey corporations. Details follow on the calculation of each Yardstick statistic. ■

Most innovative companies

Industry	Company	Survey page	Chief executive or chairman	Stock price 5-year high–low	Stock price recent	Return on equity 5-year average	Return on equity latest 12 months	Latest 12 months sales ($mil)	Latest 12 months net income ($mil)
Aerospace and defense	**General Dynamics**	70	Stanley C Pace	89¼–30⅝	48	20.7%	1.2%	9,319%	$ 15.9
Air transport	**Allegis**	72	Stephen M Wolf	105⅞–27⅞	71¾	4.8	4.2	8,580	111.6
Apparel, shoes & textiles	**Liz Claiborne**	74	Liz Claiborne	39⅛– 1⅞	17½	55.8	44.8	1,007	111.3
Automotive	**Chrysler**	77	Lee A Iacocca	48 – 6¼	23⅛	71.3	23.8	24,549	1,275.0
Banks and thrifts	**First Chicago**	82	Barry F Sullivan	34⅞–17⅛	22½	9.5	def	4,002	–491.2
Beverages and tobacco	**Coca-Cola**	86	Roberto C Goizueta	53⅛–14⅞	39⅛	24.2	29.9	8,969	1,038.0
Chemicals	**Monsanto**	89	Richard J Mahoney	100¼–37⅛	72⅝	8.2	10.9	7,363	415.0
Coal	**Westmoreland Coal**	91	Edward B Leisenring	27½–14¼	16¾	0.7	4.0	589	7.5
Communications media	**CBS**	99	Laurence A Tisch	226¼–54½	176	19.3	42.4	4,553	426.5
Computers & electronics	**IBM**	101	John F Akers	175⅞–92¼	118⅝	23.9	13.3	53,151	4,561.0
Conglomerates	**Fuqua Industries**	106	JB Fuqua	38⅝– 7	26⅞	25.6	17.5	750	46.7
Construction	**Masco Corp**	108	Richard Manoogian	40⅞–11¼	24⅝	18.1	20.7	1,901	240.9
Consumer products	**Procter & Gamble**	114	John G Smale	103½–45⅝	86½	17.2	6.9	17,308	410.0
Electrical equipment	**Hubbell**	116	Fred Dusto	41⅞–14	26¼	17.4	18.5	576	60.8
Electric utilities	**Public Service NM**	120	Jerry D Geist	39¼–19½	21¼	13.2	10.0	711	122.4
Financial services	**Commercial Credit**	126	Sanford I Weill	34⅝–17	20⅞	3.8	2.0	981	22.3
Food distributors	**Bruno's**	130	Angelo Bruno	12⅝– 3¼	10⅛	30.3	17.9	1,186	33.7
Food processors	**George A Hormel**	134	Richard Knowlton	29⅝– 6	19½	12.2	12.3	2,124	41.8
Health	**Merck**	140	P Roy Vagelos	223 –39⅛	171	21.8	32.9	4,816	845.8
Heavy equipment	**Illinois Tool Works**	146	John D Nichols	49½– 9⅝	31½	15.1	28.0	1,636	106.7
Industrial & office svcs	**Ogden**	148	Ralph E Ablon	44⅝–12⅛	25¼	13.1	54.8	820	126.5
Insurance	**American Family**	151	John B Amos	18¾– 2¾	13	19.3	25.5	1,766	113.2
Leisure and recreation	**Gulf & Western**	158	Martin S Davis	93½–15	68½	7.5	15.4	4,239	291.3
Metals	**Nucor**	162	F Kenneth Iverson	49½–17⅜	33⅝	14.4	11.8	792	45.5
Natural gas	**Arkla**	164	Thomas McLarty III	29⅞–15⅝	15⅞	14.5	11.6	1,228	73.1
Oil	**Cameron Iron Works**	168	Philip Burguieres	25⅛– 8⅜	12½	0.1	def	460	–122.0
Packaging	**Ball Corp**	172	Richard Ringoen	48½–11¼	34	17.3	17.4	1,091	64.9
Paper	**Scott Paper**	174	Philip E Lippincott	87 –18⅝	66	11.1	15.5	4,007	219.2
Retailing	**Nordstrom**	176	Bruce A Nordstrom	40¾– 5⅝	20¾	18.7	24.6	1,839	85.7
Surface transportation	**Roadway Services**	180	Joseph Clapp	45¾–23¼	28½	17.0	8.8	1,827	57.8
Telecommunications	**MCI Communications**	182	V Orville Wright	28½– 5	9⅝	15.3	def	3,821	–458.0

def: Deficit.

Yardsticks of management performance		**Profitability**					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability

SEGMENT SALES AND PROFITS

Of the 1,031 corporations covered in this survey, 793 realize 90% or more of their sales or profits from one industry. These companies are marked with a bullet in the segment sales and profits column in the industry tables. For the remaining firms we show the percentage of sales and profits derived from a particular industry. Forbes' segment definitions may vary from company designations, and numbers in these columns may not total exactly 100%. Most recent annual reports are our principal source of information.

PROFITABILITY

For this issue return on equity is calculated by taking primary earnings per share and dividing it by common shareholders' equity per share as it stood at the beginning of the year. For calculating a company's common shareholders' equity Forbes assumes the conversion of all convertible preferred stock at the start of each year. The difference between the stated value and the involuntary liquidating value of nonconvertible preferred shares is subtracted from equity. When calculating per-share earnings, Forbes includes gains or losses from discontinued operations but excludes extraordinary items.

TIME PERIODS

The five-year growth rates shown in this issue for both sales and profits require six years' worth of data. For companies with fiscal years ending in April through December, growth rates are based on the fiscal years through 1986. For companies with fiscal years ending in January through March, the fiscal years through 1987 are used. Growth rates that cover a period of less than six years are marked with a footnote. When less than four years' worth of data are available, or data are not comparable, the growth rate is marked NA (not available).

Average return on equity is marked NA if fewer than three annual returns are available. Latest-12-months' comparisons are between the most recent four quarters and the same four quarters of the previous year.

Net profit margin is measured over the latest 12 months. Debt as a percentage of equity is calculated as of the latest balance sheet.

GROWTH RATES

We use the least-squares method to calculate sales and earnings growth rates. This equation adjusts for sharp fluctuations. Example: Over three years a firm's earnings go from $1 to 50 cents, and then to $2. That's a 50% decline from the first to the second year, then a 300% jump in the third year. Least-squares says, on average, earnings grew by 41.4% ($1 x 41.4% x 41.4%). Growth rates cannot handle negative values. If first- or second-year earnings are negative, Forbes calculates the growth rate for a shorter period, starting at the first positive year. If earnings are negative in any of the last four years, growth rate is reported as not meaningful (NM).

EARNINGS STABILITY

While the five-year earnings growth rate describes how much earnings grew on average, it may not reflect the volatility in earnings over this period. The company illustrated above had a 41.4% earnings growth rate. So would a firm that earned $1, $1.41 and $2. Clearly, the earnings trend was steadier in the second instance even though both firms have the same 41.4% growth rate. The earnings stability factor, or coefficient of determination, shows how much earnings fluctuated over the span measured by the growth rate. Companies with stability ratings in the top 15%, such as Marriott, are designated Very High, those in the next 20% High, the middle 30% Average, and so on.

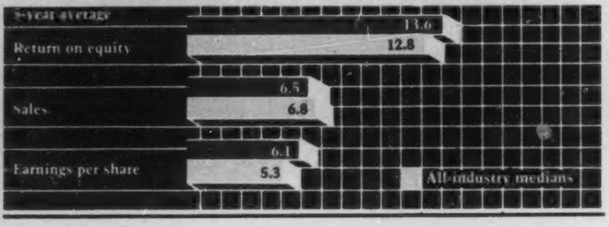
DEFINITIONS

Forbes defines sales as net sales plus other operating revenue. For banks, sales is defined as total interest income plus other income. Sales of insurance companies include income from premiums and annuities as well as net investment income and other income. Net profit margin measures net income as a percentage of net sales, including other operating income. Debt as a percentage of equity is defined as long-term debt, including capitalized leases, divided by total equity (including preferred equity).

Medians for all Yardstick components are calculated by listing companies in rank order and selecting the value of the middle company. When there is an even number of companies, the median is obtained by averaging the data on the two middle firms.

AEROSPACE AND DEFENSE

Defense spending is winding down, but civilian orders continue to boom.



By Howard Banks

THIS TIME LAST YEAR we said defense contractors would be hit by cuts in the defense budget in 1987, and that is exactly what has happened. Though Westinghouse, Litton and Tracor had standout years, having cut costs, most major contractors had lower earnings. After three years of steady growth in jobs, even employment in the industry declined in 1987, down 1% from 1986 levels, to 1.197 million workers.

Total defense outlays of $285 billion, slated for the fiscal year 1988 that began in October, will amount to a 3% cut in real terms, the second such annual decline in a row. Moreover, since the services plan to hold manpower roughly at current levels, most of the cuts will fall on research and development. Programs likely to be hit include the Army's LHX helicopter (rival prime contractors: McDonnell Douglas and Textron's Bell subsidiary); the Marines' V-22 tilt-rotor Osprey (Bell and Boeing); the Navy's A-6F updated attack aircraft (Grumman); and even the President's SDI program. The proposed Midgetman ballistic missile is probably dead.

Watch for heavy lobbying to prevent these cuts. Contractors prefer stretch-outs of program timetables, thus keeping programs alive, even though this adds to costs overall. Watch, too, for the reluctant arms procurers at the Pentagon to come under pressure to hold down costs by buying existing arms from abroad, rather than starting development programs domestically from scratch. One example: the Milan infantry antitank weapon already in service with nine NATO armies. The space program is also under severe budget constraint.

Though competition is intense, the year past has been much rosier for civilian aerospace. Both Boeing and McDon-

Corporate cleaner-upper

Stanley Pace of General Dynamics

Dan White/Picture Group

General Dynamics was a company with a reputation for ripping off the Pentagon when the board made Stanley Pace chairman and chief executive officer in 1986. GD had been accused of everything from padding expense accounts to corrupting foreign governments. Job one for Pace, formerly with TRW, was to repair GD's reputation with its biggest customer, the Department of Defense, and with Congress. In its way, Pace's response was every bit as innovative as a new wing design or a new radar: He eliminated from GD's cost claims against government contracts just about everything that could conceivably cause trouble with Defense Department auditors, a radical idea for a defense contractor.

Pace directed the company's accountants to analyze all GD's defense contracts. The result showed that the troublesome costs (hence, the hit to the bottom line from absorbing these "gray" items) was tiny—less than 0.5% of the cost of typical contracts. All such items, by Pace's order, were thus deleted from bills being submitted for payment by the Pentagon. "We simply lifted our accounting cutoff," says Pace.

When Pace took over, GD was under suspension from bidding on new defense business. Thus, for example, its share of the Tomahawk cruise missile contract went from 60% in 1985 to 40% in 1986, a $24 million hit to sales.

But by weeding out any possibly contentious charges from its bills, Pace has returned his company to favor with the Pentagon. In 1987 the firm's share of the Tomahawk missile program thus rose back up to 70% of the contract, worth $286 million, important in a year when defense orders generally were squeezed. "If we hadn't acted," says Pace, "it would have been disastrous."

The most important result? At least in General Dynamics' case, contracts once again are being awarded on their technological, price and performance merits, not on the basis of scandal-traumatized Pentagon bureaucrats fearing any fresh involvement with GD at all.

nell Douglas continue to complain about government subsidies for the European Airbus program. McDonnell appears to be looking for a scapegoat if it has to cancel its long-range MD-11 update of the DC-10 airliner.

In fact, however, the industry's biggest problem is turning out the orders it already has. Boeing's backlog now approaches 800 aircraft, and the company must invest $200 million to increase production of the 737 model. Boeing's debt is down to $250 million, while cash in hand will end the year at around $4 billion.

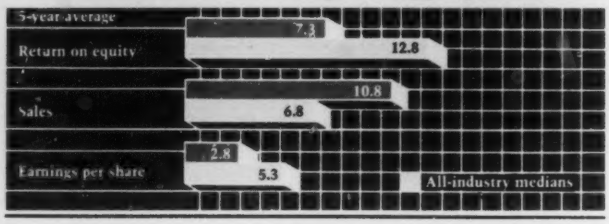
Even so, pressure on profit margins in this industry will intensify in 1988, especially for defense contractors. Defense contracts now are often shared between two contractors, and in all new contracts the companies have to invest some of their own money up front. In fact, the industry talk is of a decline in the number of defense contractors, either through mergers, or through some going broke trying to cope with the defense spending squeeze. ■

Yardsticks of management performance		**Profitability**					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Aerospace and defense													
Lockheed	●/●	1	59.5%	21.1%	58.9%	3.6%	6	16.2%	8.2%	12	15.4%‡	–7.3%	very high
EG&G	NA/NA	2	28.0	22.0	7.6	4.4	16	11.2	4.6	21	8.8	3.8	average
Morton Thiokol	45/28	3	24.8	16.3	3.1	7.1	4	20.0	5.3	13	14.0	10.1	low
E-Systems	●/●	4	21.5	15.0	16.3	4.8	12	12.2	12.8	10	15.5	21.6	average
Teledyne	34/37	5	21.4	15.2	28.0	7.7	39	1.6	0.5	6	18.9‡	10.3	low
Rohr Industries	●/●	6	21.4	8.6	49.9	4.1	35	2.9	6.0	3	32.6	–43.3	NM
General Dynamics	●/●	7	20.7	1.2	29.9	0.2	14	11.3	4.3		NM	–95.9	NM
Rockwell Intl	79/80	8	20.6	20.8	23.1	5.2	10	12.8	–1.4	8	18.4	10.2	very high
General Electric	27/34	9	19.3	21.3	28.1	6.3	29	4.4	24.9	22	8.7	33.0	very high
Colt Industries	39/32	10	18.7	NE	NE	4.3	44	–3.7	2.1	17	11.8‡‡	184.2	low
Raytheon	59/88	11	18.3	21.8	2.1	5.6	27	5.2	8.4	26	5.2	14.5	low
Loral	●/●	12	18.1	17.3	186.2	6.2	2	24.8	51.7	9	16.7	13.4	very high
Northrop	●/●	13	16.8	7.6	0.3	1.2	3	23.7	8.6	2	34.5	11.4	low
Westinghouse	NA/NA	14	16.5	23.5	18.3	6.9	34	3.0	–5.9	18	11.7	19.2	high
Grumman	84/62	15	16.5	8.2	66.5	2.0	7	13.2	–1.7	4	29.4	–22.9	low
Kaman	50/86	16	16.5	16.6	82.3	3.4	23	7.6	19.8	7	18.9	13.6	very high
Martin Marietta	75/81	17	16.0	25.5	31.0	4.2	24	7.4	8.5		NM	7.4	NM
Boeing	●/●	18	15.9	11.0	5.2	3.4	15	11.2	0.9	15	12.1	–20.1	low
Litton Industries	77/85	19	15.3	13.9	139.5	3.1	42	–2.0	–2.2	32	–13.5	104.8	average
Tracor	70/33	20	14.6	13.8	54.8	4.4	13	11.6	11.7	29	–3.9	500.0+	very low
Figgie Intl	26/25	21	14.6	15.9	27.6	4.8	31	3.9	8.0	23	7.7	11.7	average
Computer Sciences	51/NA	22	14.2	12.8	29.6	3.4	20	9.1	19.3	20	10.4	26.1	high
FMC	32/36	23	14.1	NE	NE	7.7	43	–2.3	–0.6	14	12.5	305.0	low
McDonnell Douglas	●/●	24	13.6	11.0	25.5	2.4	9	12.8	6.8	19	11.2	11.4	average
Singer	79/72	25	13.3	26.7	39.9	6.9	45	–7.1	–2.9	1	126.9‡‡	37.9	very high
TRW	56/55	26	13.1	22.8	52.9	3.3	32	3.5	11.1		NM	87.2	NM
Parker-Hannifin	29/43	27	13.0	12.4	36.0	4.6	18	9.5	7.4	24	6.1	–3.0	very low
Perkin-Elmer	24/89	28	12.5	def	6.8	def	28	4.6	1.6	28	1.1	P-D	very low
Hercules	35/50	29	12.0	46.4	27.4	31.1	40	–0.2	1.3	25	5.9	287.1	low
Sundstrand	68/●	30	11.8	5.5	47.2	2.4	22	7.7	–1.8	30	–8.9	–58.3	average
DynCorp	56/72	31	11.5	11.1	5.5	1.3	17	10.4	17.7	33	–14.9	149.1	average
Textron	52/41	32	11.1	18.5	84.5	4.0	5	17.9	13.1	11	15.5	32.0	average
United Technologies	52/DP	33	10.9	4.5	43.2	1.1	33	3.2	8.8	35	–33.9	–62.0	average
Harsco	32/57	34	10.6	13.0	12.0	5.5	36	2.6	–3.3	27	2.5	29.8	very low
Harris Corp	38/44	35	9.9	9.3	14.8	4.2	21	8.9	–0.5	31	–12.2	36.5	high
Wyman-Gordon	●/●	36	8.9	def	6.7	def	46	–9.3	–9.7		NM	D-D	NM
M/A-Com	NA/NA	37	8.6	def	40.9	def	26	5.4	–24.5	34	–15.2	P-D	average
GenCorp	56/47	38	6.3	30.0	NE	12.3	19	9.4	–31.6	16	12.0	215.2	very low
Honeywell	46/●	39	6.1	def	26.4	def	37	1.9	–8.9		NM	P-D	NM
Talley Industries	41/37	40	5.6	def	109.5	def	41	–0.8	–12.9	5	21.9‡‡	P-D	NM
Allied-Signal	52/52	41	5.1	16.1	55.9	5.3	8	13.0	–1.6		NM	D-P	NM
IC Industries	21/●	42	4.5	12.2	82.7	4.5	38	1.6	–5.2		NM	D-P	NM
Texas Instruments	33/●	43	4.3	16.2	22.7	3.8	30	4.2	11.3		NM	D-P	NM
Todd Shipyards	73/●	44	2.2	NA	NA	def	48	–12.9	–15.8		NM	D-D	NM
UNC	77/75	45	def	11.3	158.5	1.8	11	12.7	16.0		NM	115.2	NM
Fairchild Industries	72/65	46	def	def	63.6	def	47	–11.8	–47.6		NM	P-D	NM
LTV	35/1	47	def	NE	NE	def	25	5.5	1.3		NM	D-D	NM
GM Hughes Electronics	59/31		NA	3.1	3.8	2.0	1	25.7	0.4		NA	10.1	NA
Industry medians			**13.6**	**12.8**	**28.0**	**3.9**		**6.5**	**1.8**		**6.1**	**11.6**	
All-industry medians			**12.8**	**13.6**	**48.6**	**4.3**		**6.8**	**8.3**		**5.3**	**13.9**	

● 90% or more. **DD:** Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. †Four-year average. ‡Four-year growth. ††Three-year average. ‡‡Three-year growth. For further explanation, see page 65.

AIR TRANSPORT

Congestion, delays, complaints galore and even some improving profits.



By Howard Banks

DANGER IN THE AIR and delays at the airports. That was the media's message for 1987. Although the year did bring four fatal crashes and a number of close calls aloft, 1987 in fact ranks as the seventh safest year for passenger travel since the commercial jet age began in 1952. In reality, the big disruptions came at the airport.

Much of the problem relating to delays was caused by the airlines' shaving schedule times to gain a marketing advantage on travel agents' computer screens. Once the government required the airlines to publish performance figures, most airlines added time—telling more of the truth—to their schedules.

Those problems aside, 1987 was a good one for the industry. Passenger traffic grew 10%, and the industry as a whole took in revenues of more than $50 billion, a record. Operating profits of $2.5 billion were also a record.

Yardsticks of management performance		**Profitability**					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Freight													
Federal Express	●/●	1	19.6%	def	65.5%	def	1	35.2%	22.2%	2	8.4%	P-D	average
Emery Air Freight	●/●	2	15.1	def	212.1	def	3	10.8	26.1		NM	D-D	NM
Airborne Freight	●/●	3	13.6	10.4%	97.7	1.7%	2	15.0	16.2	1	25.7	14.8%	high
Pittston	38/DP	4	def	2.4	9.9	1.0	5	–13.5	4.5		NM	50.0	NM
Tiger International	●/41	5	def†	NE	NE	4.1	4	–7.1	4.8		NA	D-P	NM
Medians			13.6	–3.5	65.5	1.0		10.8	16.2		NM	14.8	
Airlines													
Southwest Airlines	●/●	1	14.8%	4.0%	48.6%	2.6%	2	24.1%	3.3%	2	4.2%	–56.6%	average
USAir Group	●/●	2	14.5	15.3	153.4	8.5	4	10.9	31.8	3	3.6	88.3	very low
AMR	●/●	3	13.2	7.9	94.8	3.0	6	9.5	13.4	4	2.1‡‡	–22.6	very low
Delta Air Lines	●/●	4	8.3	16.0	52.6	4.6	7	6.2	31.7		NM	229.5	NM
NWA	84/NA	5	6.2	8.7	73.1	2.2	3	13.6	65.3	1	67.2	46.2	high
Allegis	77/18	6	4.8	4.2	121.7	1.3	5	10.8	–2.5		NM	94.0	NM
Trans World Airlines	●/●	7	def††	121.1	400.7	3.4	8	–0.3	26.2		NA	D-P	NM
Pan Am	85/●	8	def	def	NE	def	9	–3.7	11.9		NA	P-D	NM
Texas Air	●/●	9	def††	def	402.0	def	1	32.7	271.6		NA	P-D	NM
Medians			6.2	7.9	94.8	2.6		10.8	26.2		2.8	46.2	
Industry medians			7.3	4.1	84.0	1.9		10.8	19.2		2.8	30.5	
All-industry medians			12.8	13.6	48.6	4.3		6.8	8.3		5.3	13.9	

● 90% or more. **DD:** Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. †Four-year average. ‡Four-year growth. ††Three-year average. ‡‡Three-year growth. For further explanation, see page 65.

That's quite an achievement considering that fuel prices rose 30% during 1987, from a low of 44.5 cents a gallon in September 1986 to near 57 cents a gallon average as 1987 ended. There has also been a rising trend in labor costs, notably for pilots, and the cost of frequent flier programs has also started to bite. The airlines have offset these rises by more carefully controlling fare discounts and setting up a "Saturday overnight-stay rule" that blocks most expense account business travelers from using the very cheapest fares. These steps helped lift the average fare per mile by 1%, with perhaps another 3% or so to come in 1988, says George James of Airline Economics.

Of all the companies in this industry, the one set to enjoy the most impressive turnaround is Allegis Corp.'s United Airlines, now headed by a new chief executive, Stephen Wolf. United is undoing the grand but unworkable scheme of his predecessor, Dick Ferris, to turn the airline into a one-stop-shopping travel conglomerate. The carrier is now shedding investments in Hertz rental cars, Westin Hotels, and a 49% stake in its computerized reservations system.

In 1988 the international carriers on this list are all likely to suffer from the weak U.S. dollar, which will substantially slow U.S. tourism and business travel abroad. It will be a year for holidays at home in 1988 for most Americans. ■

Apollo's sweet song

John Zeeman, marketing vice president of Allegis' United, deliberately avoided being too aggressive—"acting like the ugly American," as he puts it—and this gave him a golden prize in Europe. Four top European airlines (British Air, Swissair, KLM and Alitalia) chose United's Apollo computer reservation system over American's Sabre. Emphasizing that this was to be a partnership—the European version of Apollo, to be called Galileo, will be a joint venture—and that United doesn't fly to Europe, Zeeman calmed European fears that they might end up dominated by United.

The European carriers turned to the U.S. for help to catch up on years of underinvestment in reservations booking technology, which is the key to running a modern airline in a competitive world. Galileo, planned to cost around $100 million and be operational within 12 months, is a quicker and cheaper option than the one chosen by another group of European carriers, led by Air France and Lufthansa, which decided to buy software from Texas Air.

Computer reservation systems in the U.S. are highly profitable, with a typical 30% return on investment, but the deal in Europe brings other special advantages for United. The carrier's debt is already high (78% of equity), and it wants to avoid the heavy investment in planes and marketing needed to break into the European market. The Galileo deal will provide a marketing link with major European carriers that should provide it low-cost traffic to feed onto its domestic flights (and vice versa). The airline has already announced a close "marketing merger" with British Air, in which they will operate what amount to joint flights. It's likely that the European carriers will invest directly in United's Covia subsidiary, which operates its Apollo system.

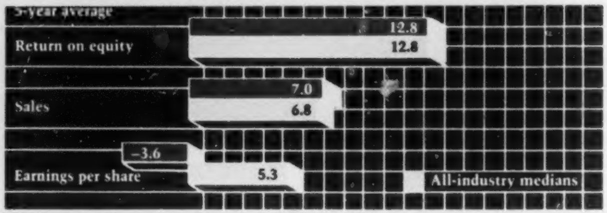
"The next step," says Zeeman, "might be to get some Pacific carriers to buy a piece, too. That way we'd make it a truly international network."

John Zeeman of United Airlines

Kevin Horan/Picture Group

APPAREL, SHOES AND TEXTILES

With stores overstocked, only well-established brands will benefit.



By Gail Bronson

MANY COMPANIES IN THIS GROUP sewed up 10% to 15% earnings gains last year, but in 1988 they'll be lucky to do a third as well. Blame it on slackening consumer spending and the looming threat of recession.

Sales began to slow at midyear, and by September retailers were confronting a disappointing inventory-to-sales ratio of 2.85. Result? "Only good brands with consumer loyalty that offer stores good service will do well in 1988," forecasts Deborah Bronston of Prudential-Bache.

Apparel companies are starting to enjoy the payback from restructurings begun in 1986. The strategy for several of these companies has been to get out of general merchandise retailing and concentrate on marketing name-brand products. Manhattan Industries sold its marginally profitable Frost

Yardsticks of management performance		**Profitability**					**Growth**						
		Return on equity					**Sales**			**Earnings per share**			
Company	**% in —segment— sales/profits**	**rank**	**5-year average**	**latest 12 months**	**debt as % of equity**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**earnings stability**
Apparel													
Liz Claiborne	●/●	1	55.8%	44.8%	0.0%	11.1%	1	48.6%	33.7%	2	54.6%	37.4%	very high
VF	●/●	2	32.5	20.0	46.4	6.9	3	16.2	60.8	3	19.2	8.4	high
NIKE	25/NA	3	28.0	13.8	9.6	5.1	4	16.1	–9.6	9	–4.7	–8.5	very low
Oxford Industries	●/●	4	17.1	8.2	12.2	1.9	5	9.6	9.6	7	–3.2	–2.0	very low
Kellwood	●/●	5	15.0	18.2	40.3	4.5	13	–2.5	14.7	1	60.4	13.6	very high
Hartmarx	46/●	6	12.8	9.9	19.8	3.4	8	6.4	–1.4	5	0.6	22.4	very low
Phillips-Van Heusen	74/71	7	12.2	26.4	35.0	5.3	10	4.7	–12.8	4	18.4	142.4	high
West Point-Pepperell	30/28	8	10.7	10.3	40.4	3.5	7	6.8	14.0	8	–4.0	16.4	very low
Interco	31/22	9	8.8	9.4	13.6	4.2	12	–0.6	22.2	6	–2.4	13.9	very low
Manhattan Industries	●/●	10	2.0	def	31.8	def	11	0.4	–14.9		NM	P-D	NM
Genesco	24/23	11	def	24.0	64.6	4.1	14	–5.1	–14.6		NM	D-P	NM
United Merchants	29/10	12	def	def	348.7	def	9	6.2	–2.3		NA	D-D	NM
Fruit of the Loom	●/●		NA	NE	500.0+	4.8	6	7.0‡	27.9		NA	NA	NA
Leslie Fay Cos	●/●		NA	18.5	79.0	3.0	2	19.3	3.9		NA	–18.3	NA
Medians			12.5	12.0	37.7	4.1		6.6	6.7		–2.4	13.6	

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Store wars

Apparel designer Ralph Lauren drew fire from New York City department stores when he opened his Rhinelander Mansion store on Madison Avenue in 1986. Retailers feared the 20,000-square-foot store would siphon off their sales.

Comes now fashion designer Liz Claiborne, a solid name in sportswear and working women's wear, with a different approach to dealing with department store chains. Perfectionism and control of every facet of design and production are the hallmarks of her company, Liz Claiborne, Inc., and since her clothes sell so well, stores have tended to give her a say in how to set up displays or cater to customers.

Still, Liz Claiborne isn't satisfied with the service customers receive from store clerks. So to set an example of courtesy and service—and win new customers in the process—her firm is expanding into retail, too, but with a novel approach intended to avoid offending department store buyers. Although owned and operated by Liz Claiborne, Inc., the stores will be called First Issue and sell only its own merchandise, priced and designed to compete with casual clothing chains like the Gap and the Limited.

Hans Neleman/Wheeler Pictures

Liz Claiborne of Liz Claiborne, Inc.

In February First Issue stores will open in the Georgetown area of Washington, D.C. and Manhasset, N.Y. If all goes as planned, a dozen more will follow in the Northeast. The aim is a national chain in competition with women's wear chains like Casual Corner. Startup costs are nominal, so the venture shouldn't jeopardize 1988 earnings. Regardless, even simply elevating the levels of courtesy delivered by store clerks would make the project something to be commended.

Yardsticks of management performance		**Profitability**					**Growth**						
		Return on equity					**Sales**			**Earnings per share**			
Company	**% in —segment— sales/profits**	**rank**	**5-year average**	**latest 12 months**	**debt as % of equity**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**earnings stability**
Shoes													
Reebok International	●/●	1	200+%††	52.0%	0.8%	12.4%	1	292.5%	63.7%	1	200+%‡	−25.9%	NM
NIKE	75/NA	2	28.0	13.8	9.6	5.1	2	16.1	−9.6	2	−4.7	−8.5	very low
US Shoe	39/48	3	15.2	8.3	27.2	1.9	3	13.6	9.0	4	−11.7	−4.2	low
Brown Group	32/NA	4	13.6	12.3	35.5	2.9	4	0.8	10.2	3	−5.7	51.3	low
Genesco	29/35	5	def	24.0	64.6	4.1	5	−5.1	−14.6		NM	D-P	NM
Medians			**15.2**	**13.8**	**27.2**	**4.1**		**13.6**	**9.0**		**−5.7**	**25.9**	
Textiles													
Guilford Mills	**●/●**	**1**	16.0%	13.5%	56.8%	4.6%	**2**	11.9%	30.6%	**1**	0.0%	1.3%	very low
West Point-Pepperell	**26/16**	**2**	10.7	10.3	40.4	3.5	**4**	6.8	14.0	**2**	−4.0	16.4	very low
DWG	**31/20**	**3**	8.3	25.4	289.1	2.0	**1**	37.9	4.2		NM	D-P	NM
Springs Industries	**46/23**	**4**	7.9	15.2	52.0	3.4	**3**	8.9	9.3	**3**	−12.3	202.3	average
JP Stevens	**23/18**	**5**	3.9	10.8	31.8	3.5	**6**	−3.0	−8.5		NM	38.6	NM
United Merchants	**38/14**	**6**	def	def	348.7	def	**5**	6.2	−2.3		NA	D-D	NM
Medians			**8.1**	**12.1**	**54.4**	**3.4**		**7.9**	**6.8**		**−12.3**	**27.5**	
Industry medians			**12.8**	**13.5**	**35.5**	**3.5**		**7.0**	**9.3**		**−3.6**	**15.1**	
All-industry medians			**12.8**	**13.6**	**48.6**	**4.3**		**6.8**	**8.3**		**5.3**	**13.9**	

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John McLaughlin fuels the fire while respected journalists Jack Germond, Morton Kondracke, and Robert Novak provide informative and often explosive opinions.

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Assuming a recession isn't imminent, apparel and textile shares should appreciate at least in line with the market. If the economy slumps, however, forget it.

Brothers stores in 1986 for $38 million to a private investor. In 1987 Hartmarx paid $2 million for Manhattan's Henry Grethel sportswear and shirt line, which had cost Manhattan around $18 million in losses over the past six years.

Manhattan Industries expects to cash in on an economic downturn with a sales surge in strong name-brand accessories, of which it still has plenty, including Perry Ellis and Anne Klein scarves and Yves Saint Laurent ties and belts. "Accessories always do better in bad times," says Manhattan Chairman Laurence Leeds Jr. "A man won't pay $500 for a suit, but he will pay $30 for a dress shirt or $15 for a bright pair of suspenders to spruce up his wardrobe."

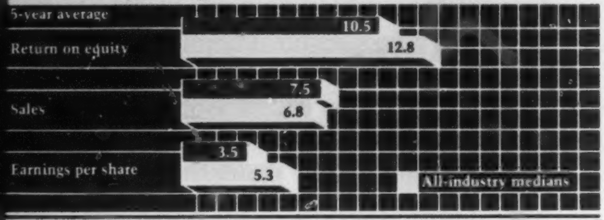
Equally disenchanted with retailing, Phillips-Van Heusen sold four of its retail menswear chains and a clothing subsidiary for $44 million. Then, in August, Phillips paid $79 million to buy loss-ridden G.H. Bass, the shoemaker, from Chesebrough-Pond's Inc. Bass has been turned around through management changes, inventory cutbacks and improvements in manufacturing and retailing. Phillips profits in the year ending Jan. 31, 1988 are expected to be $21.6 million, including the new Bass unit, compared with $20.1 million in fiscal 1987.

In the textile industry, lower marginal tax rates and fewer restructuring writeoffs helped push up earnings 10% to 15% on sales volume growth of only 3% to 4%. Higher material costs, particularly natural fibers, were the industry's biggest headache. The cost of cotton and denim rose significantly in 1987, squeezing margins for Fieldcrest Cannon, which makes household linens, and VF Corp., a leading jeansmaker.

What does the future hold for investors in all these stocks? Assuming a recession isn't imminent, apparel and textile shares should appreciate at least in line with the market. If the economy slumps, forget it. Stocks in this industry have historically underperformed the market quite drastically in downturns. ■

AUTOMOTIVE

Even if sales stay strong in 1988, business will be brutally competitive—even worse than 1987.



By Jerry Flint

OVERALL, CARMAKERS HAD A FAIR YEAR in 1987: 15 million car/truck sales, down 8% from 16.3 million in 1986. The foreign-owned companies, with imports and "immigrant" production, accounted for 35% of last year's sales. But with so many players in the car business, overall figures aren't as important as spotting the winners and losers.

Last year, like the year before, Ford Motor Co. was the big winner, approaching $5 billion in profit, more profit than GM for the second straight year, more profit than the entire Japanese auto industry combined. The cash is piling up so fast—$9 billion on Sept. 30—that Wall Street seems to think that getting rid of it is Ford's biggest problem. So far the cash has been spent carefully, on some diversification into banking, but the company is also looking for an electronics buy and is spending some to pick up its own stock and some to expand in the auto business.

With GM sales sluggish, Ford sees a chance for a permanent improvement in its market share. "We can take advantage of the first real departure of the loyalty pattern in my lifetime," says Donald Petersen, Ford's chairman. Figure Ford will make more gains in 1988. The new, smallish Ford Tempo (it looks like a Honda) may click where Ford is weak, while its new $25,000 Continental might succeed against the high-profit German luxury models. Even if 1988 turns out to be a rougher year than now seems likely, Ford is in a strong position. It could absorb more than a 10% sales decline—just by cutting overtime, Petersen reveals.

Will General Motors turn around? From 43% of the market two years ago, it had just 37% in 1987, and it could sink to 33% this year. To reduce overhead and fixed costs, GM is closing plants and retiring white-collar workers by the tens of thousands. It is counting on this cost-cutting, plus a raft of new models, to end its slump.

At Chrysler, car sales fell nearly 22%, as much as GM's, but Chrysler's strong truck sales—its minivan is the best in the industry—kept profits high. Chrysler's car designs and drive-trains are aging, and future growth depends heavily on its ability to bring to market a new product line for the 1990s. Chrysler's comeback was a miracle of modern business, but this is an industry where no one can rest on his laurels.

Among the foreign companies, Honda is the most impressive, increasing its U.S. market share to nearly 7% last year,

Yardsticks of management performance		**Profitability**					**Growth**						
		Return on equity					**Sales**			**Earnings per share**			
Company	**% in —segment— sales/profits**	**rank**	**5-year average**	**latest 12 months**	**debt as % of equity**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**earnings stability**
Automobiles and trucks													
Chrysler	●/●	1	71.3%††	23.8%	51.0%	5.2%	2	19.8%	11.4%	1	104.6%‡	1.9%	very high
Subaru of America	●/●	2	44.4	2.1	18.3	0.4	3	15.8	–1.0	3	27.3	–92.5	NM
Ford Motor	●/●	3	22.6	30.4	10.5	6.5	5	11.1	14.2	4	17.5‡‡	44.8	high
General Motors	88/82	4	15.0	10.4	46.0	3.1	4	12.1	–1.0	2	51.4	–16.1	average
Greyhound	NA/NA	5	11.7	15.9	61.5	7.0	9	–12.5	–2.4	5	5.5	63.9	low
Paccar	●/●	6	10.3	14.1	3.7	4.6	7	5.7	25.8	6	2.9	112.7	very low
Mack Trucks	●/●	7	def	4.2	15.4	1.1	6	7.5	7.3		NM	D-P	NM
Pullman	50/31	8	def††	9.5	23.4	3.0	1	166.3‡	8.4		NA	–5.0	NM
Navistar Intl	●/●	9	def††	NE	33.6	0.6	8	–10.9	4.7		NA	P-D	NM
Medians			11.7	10.4	23.4	3.1		11.1	7.3		17.5	1.9	

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The "Hail Mary" acquisition

It was third down with major yardage to go. To keep his team in the game, Lee Iacocca called an audacious play—the Hail Mary acquisition—and he succeeded with Chrysler's $1.4 billion (only $35 million cash) takeover of American Motors.

Chrysler's problems included an aging product line, no sleek midsize models in the popular Ford Taurus market, no domestic four-wheel-drive vehicle in that superhot market, and not enough assembly capacity to expand production if sales of one of its vehicles should catch fire. The AMC deal helped in each of those areas: a new midsize (the $14,000 class) car; four plants, including one brand-new plant in Canada, giving the company an extra 750,000-unit capacity; the Jeep, the best-known four-wheeler in the world, selling at a 250,000-a-year rate now. And, for good measure, Chrysler got 1,400 more dealers, its third dealer group, with the potential for moving a quarter million cars a year, the company figures.

Sure there are problems: The new Eagle car is profitless because it uses expensive French parts; three of the four factories are ancient, and two are notorious for labor problems; and the 1,400 AMC dealers, while strong on Jeeps, are so weak selling ordinary cars that they are almost out of the car market.

Says Iacocca: "I weed them out, add some of my guys, get in the right product and marketing, and make them a third franchise. Our aim is to get to 15% [of the car business], and it won't be easy, and with Jeep we could go to 20% to 22%, even 25% of trucks." Drop back and throw it 60 yards into the end zone and pray. It's a gamble, because if Chrysler can't win more business, it has too much capacity. Says Iacocca: "The cost of overcapacity is real, but the price of avoiding it is no flexibility."

Nobody said it would be easy.

Lee Iacocca of Chrysler

James Schnepf/Wheeler Pictures

AUTOMOTIVE

rom 6% in 1986, thus reaping rewards for its early and bold nove to manufacture here. Sales are falling at other Japanese ompanies and at European firms, too, even at Mercedes-enz, Porsche, BMW and Volvo. Some folks blame the stock narket crash for weak sales among these luxury nameplates, out higher prices caused by the weak dollar are probably the eal villain. This gives the U.S. big three a chance to recapture ome of the luxury market. Whatever happens, it is going to e one slam-bang competitive year.

While imports from Japan, Germany and Sweden are fallng, growing numbers of small cars are coming in from low-wage states—Korea, Brazil, Taiwan, Mexico, Yugoslavia—400,000-plus cars last year, with maybe 50% more coming in this year. But Detroit has mixed feelings over Third World cars: It objects to such one-sided trade, yet the big three import some of these cars themselves.

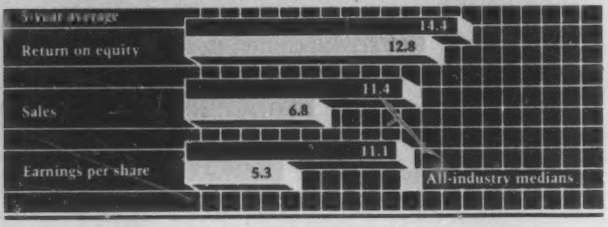
Auto parts makers should have more long-range potential, because a recession won't keep people from fixing old cars. But competition, with more retailers entering the game, with more parts coming from Taiwan and other cheap-labor nations, may hold down profits. That's also true in the OE business, original equipment parts sold to the car manufacturers. The potential is there: Detroit wants to push out in-house business because its own labor costs are much higher than the outsiders'. But the competition is growing: Japanese partsmakers are marching into the U.S. to supply the assembly plants of their compatriots and then looking for work from the big three. ■

Yardsticks of management performance		**Profitability**					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Automotive parts													
Snap-on Tools	●/●	1	19.6%	20.9%	3.1%	10.9%	8	9.6%	14.9%	4	12.4%	23.6%	very high
Colt Industries	32/43	2	18.7	NE	NE	4.3	23	–3.7	2.1	5	11.8‡‡	184.2	low
Genuine Parts	68/80	3	18.1	21.0	2.7	5.5	10	7.9	7.8	9	5.4	26.6	high
Echlin	NA/NA	4	16.0	10.0	14.1	4.2	3	16.8	21.9	2	24.6	–20.7	NM
PPG Industries	44/44	5	14.7	21.5	45.7	7.0	11	7.8	10.4	3	15.4	39.6	high
Johnson Controls	46/49	6	14.7	10.8	15.7	3.4	4	16.7	1.4	8	7.1	–6.6	very high
Sealed Power	86/NA	7	14.4	12.8	46.1	4.8	2	17.6	13.1	10	4.1	25.7	very low
Arvin Industries	53/86	8	13.4	16.3	48.0	3.5	5	15.9	59.3	1	30.9	4.8	very high
TRW	39/42	9	13.1	22.8	52.9	3.3	17	3.5	11.1		NM	87.2	NM
Federal-Mogul	79/88	10	12.1	1.7	48.9	0.5	16	4.1	10.4	11	–20.1	–87.3	very low
Dana	78/84	11	10.8	11.9	61.3	2.8	9	9.2	4.9	7	7.9	16.0	very low
Eaton	39/89	12	9.6	17.9	52.2	6.6	12	7.1	–10.8	6	9.4‡‡	70.9	very low
Barnes Group	85/82	13	6.9	13.1	34.6	3.6	22	–0.6	1.0		NM	–0.4	NM
Cummins Engine	●/●	14	6.3	2.1	39.1	0.8	13	6.1	20.2		NM	D-P	NM
Allied-Signal	24/19	15	5.1	16.1	55.9	5.3	6	13.0	–1.6		NM	D-P	NM
Handy & Harman	28/DP	16	4.8	def	92.4	def	21	–0.1	6.7		NM	D-D	NM
Champion Spark Plug	66/DP	17	4.3	5.9	5.8	2.2	19	1.8	12.9		NM	D-P	NM
AO Smith	61/NA	18	3.0	7.9	33.8	2.2	14	4.5	5.6		NM	–44.2	NM
Allen Group	●/●	19	2.0	def	45.4	def	15	4.3	0.8		NM	P-D	NM
Eagle-Picher Inds	38/38	20	1.7	21.9	44.4	6.1	18	2.8	0.9		NM	D-P	NM
Clark Equipment	27/16	21	def	def	67.5	def	20	0.3	2.6		NM	D-D	NM
GM Hughes Electronics	30/59		NA	3.1	3.8	2.0	1	25.7	0.4		NA	10.1	NA
Masco Industries	62/69		NA	21.3	230.6	5.3	7	10.4	105.0		NA	313.2	NA
Varity Corp	31/●		NA	def	185.5	def	24	–12.8	12.3		NA	P-D	NA
Medians			10.8	11.3	45.6	3.4		6.6	7.3		–20.1	19.8	
Recreational vehicles													
Fleetwood Enterprise	62/82	1	23.1%	14.5%	0.0%	3.4%	1	26.0%	7.8%	1	74.7%	16.8%	average
Coachmen Industries	86/●	2	18.3	1.6	[illegible]	0.4	2	11.0	6.1	3	4.3	–22.7	very low
Skyline	33/45	3	6.7	9.7	0.0	4.0	3	4.6	1.2	2	10.6	19.1	high
Medians			18.3	9.7	0.0	3.4		11.0	6.1		10.6	16.8	
Tire and rubber													
Cooper Tire & Rubber	●/●	1	16.6%	14.7%	33.0%	4.5%	2	8.0%	12.6%	1	0.3%	32.2%	very low
Goodyear	86/●	2	9.7	28.3	257.6	5.1	3	0.9	–4.1	2	–12.2	195.9	low
Armtek	76/59	3	5.9	11.1	150.1	1.7	1	8.2	49.8		NM	D-P	NM
Firestone	●/●	4	3.3	6.4	20.5	1.8	5	–3.1	2.7		NM	500.0+	NM
BF Goodrich	26/19	5	def	9.1	42.2	3.6	4	–2.4	–26.1		NM	D-P	NM
Medians			5.9	11.1	42.2	3.6		0.9	2.7		NM	500.0+	
Industry medians			10.5	10.8	39.1	3.4		7.5	6.7		3.5	23.6	
All-industry medians			12.8	13.6	48.6	4.3		6.8	8.3		5.3	13.9	

● 90% or more. **DD:** Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. †Four-year average. ‡Four-year growth. ††Three-year average. ‡‡Three-year growth. For further explanation, see page 65.

BANKS AND THRIFTS

In 1988 look for a continuation of massive loan writeoffs and merger activity.



By Tatiana Pouschine

RETURN ON SHAREHOLDER EQUITY for the banking industry as a whole was a dismal 9.8%, less than two-thirds of the 1986 level. Huge additions to reserves were to blame. The additional loan-loss reserves were triggered by Citicorp's much-publicized move in May to add $3 billion to loan-loss reserves against doubtful credits to Latin America and elsewhere.

Other money center banks, and even many regionals, followed ~~suit,~~ adding another $14 billion to reserves and forcing a group of 51 banks $11 billion in the red for the second quarter. Eight of the U.S.' 11 multinational banks on our list reported losses for the year.

In spite of the magnitude of these reserves, most banks are still carrying many foreign loans at more than their market value. Not surprisingly, money center bank stock prices fell 30% on average in 1987—worse than the market.

Yardsticks of management performance	Profitability					Growth						
	Return on equity					Sales			Earnings per share			
Company	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Multinational												
Bankers Trust NY	1	17.3%	def	105.3%	def	4	1.5%	5.9%	2	11.8%	P-D	NM
JP Morgan & Co	2	17.1	4.4%	54.8	0.8%	6	–0.3	–4.1	1	17.6	–74.1%	NM
Citicorp	3	15.7	def	291.0	def	1	6.3	13.1	4	10.1	P-D	NM
Bank of Boston	4	15.6	7.5	83.9	3.1	2	5.3	18.0	3	11.1	–45.5	NM
Chemical New York	5	15.2	def	74.4	def	5	0.3	10.3	5	7.1	P-D	NM
Manufacturers Hanover	6	13.0	def	295.4	def	3	2.1	–5.9	8	2.5	P-D	average
Irving Bank	7	12.9	0.9	63.3	0.6	9	–3.5	9.7	6	5.9	–92.7	average
Chase Manhattan	8	12.2	def	114.2	def	8	–1.6	5.0	7	5.9	P-D	low
First Chicago	9	9.5	def	67.4	def	7	–0.6	–2.1	9	1.8	P-D	very low
BankAmerica	10	def	def	151.7	def	10	–3.8	–19.0		NM	D-D	NM
Continental Illinois	11	def	def	32.1	def	11	–17.5	0.5		NM	P-D	NM
Medians		13.0	def	83.9	def		–0.3	5.0		5.9	NM	
Northeast												
State Street Boston	1	21.8%	19.8%	27.7%	11.5%	8	8.4%	15.1%	2	15.7%	23.3%	high
Fleet Financial	2	19.4	18.1	125.5	9.9	4	17.7	45.9	3	14.2	–5.1	NM
Hartford National	3	17.4	16.4	41.5	10.0	2	29.3	40.8	11	5.0	0.2	average
Republic New York	4	17.1	3.7	112.0	3.0	9	4.4	8.9	10	5.1	–74.6	average
Bank of New England	5	16.8	13.8	36.6	6.9	5	14.0	33.3	7	9.9	–23.1	NM
Bank of New York	6	16.4	3.1	66.2	4.8	10	3.1	15.5	5	10.9	–79.7	NM

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Plastic man

While most money center banks were busy turning themselves into investment banks, First Chicago Corp. Chairman Barry Sullivan energetically pursued a different business: credit card lending. What's unusual is that he has generated handsome profits in that business without enduring the high loan losses that typically accompany fast growth.

In 1986 First Chicago's consumer business generated only 29% of revenues but over one-third of it profits. Most of those earnings came from credit card activities, and in 1987 Sullivan moved to raise the percentage even higher by acquiring Beneficial National Bank's $1.1 billion in assets. That purchase made First Chicago the third-largest issuer of bank credit cards in the U.S.

Sullivan has learned to limit two key costs of credit card loans: operating expenses and loan losses. First Chicago ranks in the top 10% in operating efficiency out of a group of 4,000 issuers, largely because its size and highly automated back office give the bank economies of scale that few rivals enjoy.

Sullivan has also succeeded in holding down loan losses on the bank's credit card activities. First Chicago carefully screens applicant credit histories by asking applicants many questions, and then using a proprietary computer model to weigh the critical variables (the bank makes its own checks of credit history). The bank's loan losses currently are running around 3.5% of loans outstanding (not including the acquisition), little more than half the loss rate of industry leader Citibank (South Dakota) according to Veribanc, a bank rating agency.

At a time when investment banking profits look uncertain, First Chicago's consumer strategy looks good. Estimates for 1988 earnings range from $5.50 a share to $7.50, an increase of at least 17% over 1986 results (1987 losses were so unusual that it is meaningless to make comparisons to that year). Most of the other money center banks, in contrast, are expected to have only slightly higher earnings in 1988.

Steve Leonard

Barry Sullivan of First Chicago Corp.

Yardsticks of management performance	**Profitability**					**Growth**						
	Return on equity					Sales			Earnings per share			
Company	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
KeyCorp	7	16.3%	15.4%	58.2%	9.5%	3	27.9%	20.4%	1	18.8%	5.6%	very high
Norstar Bancorp	8	15.8	15.3	39.8	10.3	1	32.3	14.3	9	6.7	7.6	very high
BayBanks	9	15.4	16.0	15.9	9.1	7	11.4	10.6	4	11.1	9.2	high
Shawmut	10	13.8	6.9	64.7	4.4	6	12.2	16.2	8	9.8	–48.3	NM
Marine Midland Banks	11	10.7	def	140.9	def	11	–0.8	2.7	6	10.1	P-D	NM
Medians		**16.4**	**15.3**	**58.2**	**9.1**		**12.2**	**15.5**		**10.1**	**–5.1**	
Mid-Atlantic												
CoreStates Financial	1	20.2%	16.3%	45.2%	11.0%	6	12.1%	25.1%	2	22.4%	–2.8%	average
Midlantic Banks	2	18.7	14.8	18.6	9.9	4	15.7	0.8	10	9.7	–9.9	NM
PNC Financial	3	18.4	16.6	39.0	9.7	13	9.7	12.6	4	15.1	–11.7	NM
Sovran Financial	4	17.8	18.6	37.1	10.3	7	11.5	12.4	6	14.1	17.3	very high
Fidelcor	5	17.8	12.5	26.9	8.0	2	18.2‡	8.9	9	11.7	–13.8	NM
Crestar Financial	6	17.5	11.7	28.2	7.2	5	12.9	7.4	7	12.8	–22.5	NM
Signet Banking	7	16.8	5.4	37.7	3.0	9	11.3	13.3	1	25.1	–66.4	NM
First Fidelity Bncp	8	16.1	10.7	28.0	7.2	1	25.8	9.8	13	6.0	–23.7	high
Meridian Bancorp	9	15.4	15.5	21.7	9.7	3	16.6	5.1	8	12.0	6.3	very high
United Jersey Banks	10	15.2	16.0	11.1	11.1	10	10.6‡	5.9	3	15.5	3.0	very high
Dominion Bankshares	11	14.2	15.4	33.5	9.5	8	11.4	26.2	5	14.7	7.3	high
MNC Financial	12	14.0	16.8	33.3	9.2	11	10.3	10.3	11	8.6	16.1	average
Riggs National	13	12.2	3.6	68.8	2.7	15	2.7	–0.3	12	8.1	–74.7	high

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The regional banks fared better, both in earnings and in the stock market. They had lower exposure in troubled Latin American countries, therefore reporting better earnings. Their stock prices also benefited from the possibility that regional banks may be taken over—at above market prices—by bigger banks. Such takeovers are not inconceivable. All but four states currently allow some form of interstate banking, and to capitalize on the opportunity, regional banks continue to consolidate into larger "super-regionals."

Consolidation by merger and acquisition indeed did take place on a big scale last year. Security Pacific, the second-largest bank in California, merged with Rainier Bancorp in a $1.1 billion deal. Newark, N.J.-based First Fidelity Bancorp agreed to merge with Rosemont, Pa.-based Fidelcor, Inc., thus creating a new $27 billion (assets) bank that has more than 500 offices in New Jersey and Pennsylvania.

Two Dallas competitors—RepublicBank and InterFirst—merged in midyear to create First RepublicBank, the largest bank holding company in Texas (assets, $34 billion); scarcely was the merger consummated when the new bank began reporting horrendous losses, putting its survival as an independent entity in doubt. Also in Texas, Los Angeles-based

Yardsticks of management performance		**Profitability**					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Mellon Bank	●/●	14	12.2%	def	142.8%	def	12	9.9%	–5.6%	15	0.3%	P-D	very low
First Maryland Bncp	●/●	15	12.0	13.4%	56.7	7.4%	14	7.8	12.3	14	2.4	249.4%	very low
First Pennsylvania	●/●	16	def	def	52.4	def	16	–4.9	–3.8		NA	D-D	NM
Medians			**15.7**	**14.1**	**35.3**	**8.6**		**11.4**	**9.3**		**12.0**	**–10.8**	
North central													
Banc One	●/●	1	17.1%†	14.3%	10.4%	10.0%	4	16.5%	2.5%	7	15.2%	–11.6%	NM
First of America Bank	●/●	2	17.0	14.5	18.3	10.0	8	10.1	27.8	2	22.7	5.8	very high
Boatmen's Bancshares	●/●	3	16.2	13.2	22.3	9.7	1	29.8	30.9	14	5.8	–6.4	NM
Marshall & Ilsley	●/●	4	15.8	15.6	37.7	10.0	5	13.8	3.9	9	12.3	3.1	very high
National City	●/●	5	15.3	13.9	23.0	8.4	2	18.9	8.3	4	19.2	–17.0	NM
Huntington Bshs	●/●	6	14.6	11.9	30.4	7.8	6	13.3	1.8	10	9.3	–12.8	average
First Bank System	●/●	7	14.4	4.2	89.3	2.5	7	10.2	–18.1	6	15.3	–70.7	NM
Mercantile Bancorp	●/●	8	13.6	def	27.8	def	14	3.0	–3.1	16	2.9	P-D	average
Society	●/●	9	13.4	18.9	30.3	10.3	3	16.6	–4.8	8	14.0	32.0	very high
Manufacturers Natl	●/●	10	12.9	8.8	16.5	5.7	17	1.5	6.0	1	44.8	–34.3	NM
Commerce Bcshs	●/●	11	12.9	11.3	18.7	8.6	9	8.6	–5.5	3	20.3	4.7	average
NBD Bancorp	●/●	12	12.5	11.7	35.8	8.1	13	3.4	19.7	5	15.9	–7.7	NM
First Wisconsin	●/●	13	12.4	def	23.9	def	15	2.6	4.6	13	7.7	P-D	high
Comerica	●/●	14	11.4	12.2	32.1	7.2	10	8.0	–3.9	11	9.0	23.7	very high
AmeriTrust	●/●	15	10.7	3.5	26.4	0.6	12	5.2	16.3	12	7.7	–68.0	high
Norwest	●/●	16	9.1	def	181.7	def	11	5.6	–3.3	18	–2.6	P-D	very low
Northern Trust	●/●	17	8.6	def	36.7	def	18	–2.3	3.6	15	3.7	P-D	very low
Centerre Bancorp	●/●	18	8.4	5.3	32.4	3.6	19	–4.5	–2.5	17	–0.8	–40.5	very low
Michigan National	●/●	19	5.5	14.3	10.2	7.8	16	2.1	4.2		NM	28.2	NM
Medians			**12.9**	**11.7**	**27.8**	**7.8**		**8.0**	**3.6**		**9.3**	**–12.8**	
Southeast													
First Union	●/●	1	22.7%	18.4%	36.9%	10.9%	5	17.2%	46.5%	2	25.3%	8.9%	very high
First Wachovia	●/●	2	19.1	15.8	22.2	10.8	8	10.6	–1.0	3	18.8	0.6	very high
Barnett Banks	●/●	3	18.5	16.5	32.1	8.5	1	26.6	26.7	4	17.6	6.8	very high
SunTrust Banks	●/●	4	18.3†	17.2	25.9	10.4	2	23.6	30.1	9	13.1	6.4	very high
Citizens & Southern	●/●	5	17.2	14.8	38.4	8.3	7	12.8	14.6	6	14.2	–6.6	NM
First Kentucky Natl	86/●	6	17.2	12.4	27.3	7.7	9	10.5	5.8	5	15.0	–32.9	NM
NCNB	●/●	7	17.1	14.9	33.0	8.4	4	19.5	7.6	7	13.5	–1.0	very high
Florida Natl Banks	●/●	8	16.2	5.6	27.3	3.8	3	19.7	2.4	1	27.3	–50.5	average
AmSouth Bancorp	●/●	9	15.5	16.3	26.7	11.9	10	8.6	15.3	10	12.6	5.3	very high
First Tennessee Natl	●/●	10	15.4	12.7	39.9	7.5	11	8.1	2.6	8	13.4	–12.0	NM
First American	●/●	11	15.0	13.4	8.9	9.7	6	16.9	14.2	11	11.8	–5.3	NM
Southeast Banking	●/●	12	13.4	6.6	42.2	3.0	12	6.7	2.7	12	6.6	–52.3	average
Medians			**17.1**	**14.9**	**29.7**	**8.4**		**14.8**	**10.9**		**13.8**	**–3.2**	
South central													
Allied Bancshares	●/●	1	19.2%	def	29.5%	def	2	13.4%	–9.1%		NM	P-D	NM
First RepublicBank	●/●	2	12.7	def	86.4	def	5	2.6	7.9	1	–15.3%	P-D	average
MCorp	●/●	3	11.5	def	62.2	def	1	22.3	–17.7		NM	D-D	NM
Premier Bancorp	●/●	4	10.8	def	27.1	def	3	12.7	–3.9		NM	D-D	NM
Texas American Bcsh	●/●	5	3.5	def	48.3	def	4	5.7	–16.0		NM	D-D	NM
First City Bancorp	●/●	6	def	def	90.1	def	6	–0.9	–24.6		NM	D-D	NM
Medians			**11.1**	**def**	**55.3**	**def**		**9.2**	**–12.6**		**NM**	**NM**	

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irst Interstate Bancorp was preparing to take over $10 billion ssets) Allied Bancshares. Also on the merger front, there was sharp break with banking tradition and manners. The Bank f New York launched an unfriendly takeover assault on ving Bank; at year's end the struggle continued. Whatever ne says about banking, at least it is no longer a sleepy, dull usiness.

No sector of the industry is in deeper trouble than the ation's thrifts, some 20% of which are either gravely imperiled or effectively bankrupt and being operated under federal uspices. A handful of thrifts did well, but many more, including Meritor Financial, Gibraltar Financial and Florida Federal, reported stunning losses.

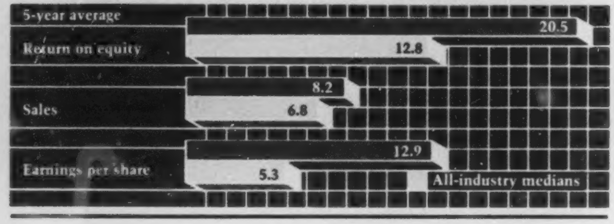
Over the next few years, an estimated $23 billion to $45 billion will be needed to bolster the failing thrifts, of which approximately 460 are already technically insolvent. In August 1987 Congress enacted what amounts to a $10.8 billion three-year recapitalization program for the Federal Savings & Loan Insurance Corp. Most of the money will come from a special FSLIC levy on insured deposits at member firms. In short, the healthy firms are paying for the sick. ■

Yardsticks of management performance		**Profitability**					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Western													
Security Pacific	●/●	1	16.3%	5.1%	166.5%	2.2%	2	7.5%	24.4%	2	10.4%	–63.5%	NM
Wells Fargo	●/●	2	14.3	def	179.1	0.4	8	3.2	21.3	1	13.3	P-D	NM
Valley National	●/●	3	13.4	1.2	43.6	0.4	1	7.6	1.9	3	7.4	–88.4	average
First Interstate Bncp	●/●	4	13.0	def	120.7	def	5	4.3	–4.1	5	5.4	P-D	NM
US Bancorp	●/●	5	12.5	13.4	67.5	10.0	3	5.2	4.0	6	4.8	12.4	average
United Banks of Colo	●/●	6	11.0	def	13.2	def	4	4.4	8.0	7	–1.4	P-D	very low
California First Bk	●/●	7	8.2	11.6	15.3	6.4	7	3.4	1.2	4	7.1	20.2	very low
First Security	●/●	8	7.7	3.4	47.7	2.3	6	3.9	–10.7	8	–32.2	–42.4	NM
Medians			12.8	2.3	57.6	1.3		4.4	3.0		6.3	–75.9	
Thrift institutions													
CenTrust Savings Bank	●/●	1	200+%††	def	279.7%	1.6%	10	28.8%	20.7%		NA	D-D	NM
Columbia S&L Assoc	●/●	2	60.8	20.4%	75.6	14.5	1	98.8	12.8	12	29.2%‡	–13.6%	high
Western S&L	●/●	3	45.1	24.4	93.3	4.2	18	20.8	8.2	7	43.1‡‡	–51.5	average
American Continental	62/71	4	37.7	21.4	500.0+	3.0	14	27.6	–10.1	3	71.4	–2.5	high
Homestead Financial	●/●	5	35.0	24.0	355.5	5.9	3	52.6	–1.5	2	75.5	–22.7	average
Golden West Finl	●/●	6	32.3	25.8	44.5	13.0	25	17.6	–5.8	10	38.4‡‡	–8.0	NM
First Federal Mich	●/●	7	24.4††	20.8	105.3	6.3	12	28.1	0.1	6	48.3‡‡	–19.6	high
Finl Corp of Amer	●/●	8	23.3	def	500.0+	def	2	56.7	–10.6		NM	P-D	NM
CityFed Financial	●/●	9	21.2	def	105.6	0.0	11	28.3	4.1	14	13.6‡	P-D	very low
CalFed	88/●	10	13.5††	14.1	25.3	7.0	15	26.7	3.8	1	106.8‡	–5.0	high
Gt Am First Savings	●/●	11	13.3††	18.1	89.4	7.4	16	25.7	21.1	8	42.6‡‡	15.4	high
Gibraltar Financial	●/●	12	13.0	def	303.2	def	19	20.7	3.6	13	15.6‡‡	P-D	high
Carteret Bancorp	●/●	13	12.4††	13.2	135.0	5.6	13	28.0	2.3		NA	11.8	NM
Home Federal S&L	●/●	14	12.3††	12.3	19.1	8.2	28	17.1	4.2	11	36.9‡‡	–6.0	NM
HF Ahmanson	●/●	15	12.1	14.0	49.6	8.7	29	14.5	–12.8	5	51.4‡‡	–25.5	high
Gt Western Financial	68/88	16	10.6	16.0	88.5	6.5	8	28.9	16.3	4	53.8‡‡	–18.4	NM
Entex	NA/NA	17	10.0	def	271.4	def	34	–4.7	–3.3		NM	D-D	NM
Atlantic Financial	●/●	18	6.7††	1.9	168.4	0.9	4	43.8	19.9		NA	–77.4	NM
Meritor Financial	●/●	19	3.5††	def	208.8	def	20	20.5	2.7		NM	D-D	NM
United Financial	●/●	20	def	def	500.0+	def	9	28.9	–2.1		NA	D-D	NM
Imperial Corp of Am	●/●	21	def	24.1	500.0+	5.0	26	17.5	8.7		NA	186.4	NM
Florida Federal S&L	●/●	22	def††	def	146.0	def	27	17.4	–2.7		NA	D-D	NM
AmeriFirst Federal	79/89		NA	NA	162.9	2.7	31	7.6	–22.3		NA	NA	NA
Anchor Savings Bank	●/●		NA	NA	2.4	6.6	7	31.1‡	–5.5		NA	NA	NA
Benj Franklin S&L	●/●		NA	NA	71.3	2.7	32	5.2‡‡	–5.6		NA	NA	NA
Coast S&L Assoc	●/●		NA	13.5	143.3	5.4	21	19.6	18.1		NA	23.7	NA
CrossLand Savings FSB	●/●		NA	7.3	36.1	4.9	24	17.8	16.5		NA	3.9	NA
Dime Savings Bank	●/●		NA	NA	85.0	8.2	30	9.4	2.3		NA	NA	NA
Empire of America	●/●		NA	def	96.1	def	6	31.5	–5.3		NM	P-D	NA
GlenFed	●/●		NA	15.4	46.1	6.8	17	22.7	11.0	9	38.4‡‡	32.7	NA
Goldome	●/●		NA	NA	0.8	0.8	23	19.0‡	NA		NA	NA	NA
Standard Fedl Bank	●/●		NA	NA	0.9	7.1	5	39.4	3.0		NA	NA	NA
Tainan Home Fedl	●/●		NA	NA	0.3	5.1	33	4.9	–8.8		NA	NA	NA
TCF Banking & Savings	●/●		NA	2.1	16.0	0.8	22	19.4	–7.4		NA	–65.6	NA
Medians			13.1	13.2	94.7	5.0		21.8	2.3		38.4	–22.7	
Industry medians			14.4	9.8	43.6	5.1		11.4	4.2		11.1	–24.6	
All-industry medians			12.8	13.6	48.6	4.3		6.8	8.3		5.3	13.9	

● 90% or more. **DD:** Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. †Four-year average. ‡Four-year growth. ††Three-year average. ‡‡Three-year growth. For further explanation, see page 65.

BEVERAGES AND TOBACCO

Drink up or light up, either way these are still good businesses to be in.



By Gail Bronson

BUSINESS FOR TOBACCO COMPANIES surged 27.4% overseas, and that more than offset a 2% decline in stateside cigarette consumption—the sixth straight year of decline. With the dollar weak, the trend toward an increasingly export-oriented industry should continue. Exports rose 317% to Japan and an astonishing fortyfold to Taiwan as both countries rolled back excise levies on tobacco during the year.

"Investors focus too much on the U.S. market," frets Hamish Maxwell, chairman of Philip Morris Cos., "when international sales are growing 5% annually." The company will report 25% earnings growth, to $7.73 a share. Cigarette exports account for 11% of pretax earnings.

Domestically, cigarette companies made strides in product liability suits. Three federal circuit courts have ruled that federally mandated health warnings on cigarette packs effectively shield the tobacco companies from claims brought by injured smokers. The state courts also ruled out plaintiff use of the claim that the risks of smoking outweigh its benefits.

News of these rulings boosted tobacco stocks by diminishing, at least for the time being, the specter of large damage awards. But hedging its legal bets, RJR Nabisco next spring will regionally test market a presumably medically safer "smokeless" cigarette that heats rather than burns tobacco.

For the soft drink industry, 1987 was a year of strong volume sales as health-conscious consumers continued to move away from alcoholic beverages of all kinds. Historically more of a lunch or midday choice, soft drinks now compete with coffee and juice at breakfast and coffee-break time.

Yardsticks of management performance		**Profitability**					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Alcoholic beverages													
Brown-Forman	69/80	1	20.8%	16.4%	32.2%	8.3%	1	16.1%	4.7%	3	5.3%	5.0%	average
Anheuser-Busch Cos	77/●	2	20.3	22.7	48.4	7.4	2	14.7	9.3	1	15.2	26.1	very high
Seagram	●/●	3	11.5	11.7	27.8	17.3	4	5.1	18.2	2	8.9	12.8	high
Adolph Coors	83/●	4	6.8	4.9	0.0	3.6	3	8.2	1.2	4	2.0	–24.4	very low
Medians			15.9	14.1	30.0	7.8		11.5	7.0		7.1	8.9	
Soft drinks													
General Cinema	64/80	1	36.5%	22.6%	105.6%	10.8%	4	3.5%	4.1%	1	26.8%	27.0%	high
Coca-Cola	69/74	2	24.2	29.9	28.8	11.6	2	8.1	–2.8	4	12.9	31.3	high
PepsiCo	39/39	3	19.5	27.1	96.1	5.1	3	4.6	24.8	2	14.8	29.7	average
Coca-Cola Enterprises	●/●		NA	4.5	139.6	2.2	1	27.2	127.0	3	13.5‡	–23.0	NA
Medians			24.2	24.8	100.8	8.0		6.3	14.5		14.1	28.3	

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Sagging sales led a number of companies to pull out of wine and spirits. RJR Nabisco sold its Heublein division to Grand Metropolitan Plc., a British firm, and Quantum Chemical Corp. (formerly National Distillers & Chemical Corp.) sold its liquor division to American Brands.

Those companies preferring to stick it out are more willing than ever before to spend what is needed to promote alcoholic products central to their business. Thus, the House of Seagram spent $50 million on marketing Seagram's coolers, lifting it from fifth place to first over rival Brown-Forman's California Cooler. Brown-Forman will spend $40 million in 1988 aiming to regain the top spot. All this effort comes at a time when the wine-cooler market grew only half as fast as last year's and will have even less growth this year. ■

The 49% solution

Plenty of companies engage in the nonstop shuffling of financial assets with no clear strategy in sight. But under Roberto Goizueta, Atlanta, Ga.-based Coca-Cola Co.'s rearrangements have a purpose: to disperse control of operating divisions into the hands of managers who understand the intricacies of the businesses involved, while turning Coca-Cola itself into a genuine holding company whose shareholders can reap the rewards. Thus during 1987 Goizueta set in motion a plan to give Coke shareholders a windfall stock distribution in a new entertainment company, while continuing as owners of a parent with less debt on its books and greater borrowing power.

Here's the deal. On Dec. 17 Coke merged its Columbia Pictures subsidiary and other entertainment businesses with its 37% interest in publicly held Tri-Star Pictures, to form Columbia Pictures Entertainment Inc. Coke gets 75 million shares of newly issued Tri-Star common in exchange for its entertainment businesses. After redistributing 31% of the new company stock to Coke shareholders as a taxable, one-time dividend, Coke still retains a 49% interest in the new concern. The entity will have $3 billion in assets and be capitalized at about $1.6 billion.

In this manner, Coca-Cola can now share in Columbia Pictures' profits without jeopardizing its own earnings as sole proprietor of a company in the highly unpredictable entertainment business. Columbia Pictures, remember, recorded one of the costliest flops in Hollywood history last year with the movie *Ishtar.*

The deal recalls an earlier asset redeployment that Goizueta put in place at the company. In 1986 Coke spent $2.4 billion to acquire the bottling operations of JTL Corp., once the nation's largest Coke bottler, and of Beatrice Cos. He then combined the two operations and sold the public a 51% stake in the new company. In this way, Coke gained greater influence over its bottling operations, which provide the bulk of its profits through syrup sales. A similar deal was negotiated for its newly organized Canadian bottling company, in which the Atlanta company retained a 49% interest.

Rob Nelson/Picture Group

Roberto Goizueta of Coca-Cola

Yardsticks of management performance		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Tobacco													
UST Inc	85/●	1	31.0%	56.9%	9.7%	22.5%	4	13.5%	8.3%	3	18.2%	108.8%	very high
Philip Morris Cos	50/78	2	26.6	30.7	93.2	7.7	2	17.0	10.4	4	17.7	25.6	very high
Loews	15/35	3	22.6	17.8	47.7	5.8	5	12.9	13.3	1	25.0	–6.6	high
Dibrell Brothers	●/●	4	21.7	def	18.8	def	8	–0.2	1.3	2	24.2	P-D	high
RJR Nabisco	58/31	5	21.3	22.5	63.6	7.8	3	13.5	–1.8	6	8.2	25.9	high
Universal Leaf	49/57	6	18.8	19.4	27.7	2.7	9	–0.3	68.6	5	9.5	31.1	very high
American Brands	33/59	7	18.5	9.2	40.1	8.4	6	5.2	3.5	7	0.4	–33.1	very low
Standard Commercial Tob	59/78	8	13.6	10.4	14.9	2.0	7	4.8	19.8	8	–1.1	–0.9	very low
Culbro	NA/NA	9	10.4	26.0	24.2	4.0	1	24.0	–16.4	9	–1.7	11.3	very low
Medians			**21.3**	**19.4**	**27.7**	**5.8**		**12.9**	**8.3**		**9.5**	**11.3**	
Industry medians			20.5	19.4	32.2	7.4		8.2	8.3		12.9	12.8	
All-industry medians			12.8	13.6	48.6	4.3		6.8	8.3		5.3	13.9	

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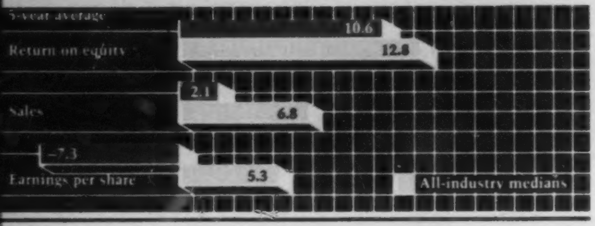
CHEMICALS

Renewed glitter for a tarnished commodity.



By Ruth Simon

LOWER OIL PRICES and an export-boosting weak dollar turned chemical companies into 1987 winners. Years of belt-tightening and pruning under pressure, which cut bout 3% from productive capacity since 1983, also helped. Now, with the industry operating at 83% of capacity, the ighest level in eight years, chemical makers are once again njoying a seller's market. According to Drexel Burnham ambert chemicals analyst William Young, prices are up bout 4% over 1986 levels, and some producers are talking bout adding capacity in selected products for the first time in he decade. All in all, 1987 was a good year for most compaies in this group. Industry profits should hit a record $15.9 billion for the full year.

Such strength provided the basis for a spate of initial public offerings. Resulting newcomers to the list include Aristech Chemical Corp., Georgia Gulf Inc. and Himont Co., perhaps the industry's most efficient producer of polypropylene. "I can't remember when we've had chemical companies offered like that," says Salomon Brothers chemical analyst Leslie Ravitz. Bucking the trend was GAF's Samuel Heyman, who proposed a $2.3 billion leveraged buyout of his specialty chemicals company. That deal, like several proposed initial public offerings, was thrown into limbo by the market crash.

The industry's dealmaker par excellence was a former Con-

Monsanto's unconventional marketer

Moving out of commodities and into higher-margin pharmaceuticals and specialties is a common theme—indeed, common sense—in the chemical industry these days. Moving beyond conventional marketing wisdom is rarer. Credit Dr. Sheldon Gilgore for doing just that at G.D. Searle & Co., which has lost money since it was acquired by Monsanto in 1985.

Take the company's introduction in 1987 of Calan SR, a reformulated version of an off-patent angina drug that was approved for treating hypertension at the end of 1986. Since it's no longer protected by a patent, any competent manufacturer is now free to make verapamil HCl, the generic name for Calan. But by reformulating the drug, Searle gained three additional years of protection. Gilgore is also distributing $10 million of the drug through doctors to indigent patients free of charge. "Here was a golden opportunity to demonstrate social responsibility," says Gilgore, who joined Searle in 1986 after 23 years at Pfizer Pharmaceuticals. And a golden opportunity to generate good publicity for Searle, which hadn't introduced a new product since 1984.

Gary Sigman

Searle's Gilgore

The result? Calan's share of the market for calcium channel blockers has jumped from 10% to 24% since the program began. "It's a big winner," says Salomon Brothers chemical analyst Leslie Ravitz, who expects sales of $200 million this year, up from $125 million in 1987 and $65 million in 1986.

That has helped slow the losses at Searle, which lost about $90 million on sales of $825 million in 1987, largely because of heavy research spending. "We'll make money in 1989," says Gilgore, who promises at least one new product a year. Gilgore's latest marketing effort? "Patient promise," a controversial program that provides 100% refunds if a Searle product doesn't work or has unacceptable side effects.

Yardsticks of management performance		**Profitability**					**Growth**						
		Return on equity					**Sales**			**Earnings per share**			
Company	**% in —segment— sales/profits**	**rank**	**5-year average**	**latest 12 months**	**debt as % of equity**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**earnings stability**
Diversified													
Rohm & Haas	●/●	1	15.5%	18.8%	24.0%	8.8%	5	2.6%	3.4%	1	14.0%	40.7%	high
Borden	33/35	2	14.4	17.7	68.0	4.2	4	3.2	24.0	3	10.1	23.7	very high
FMC	46/72	3	14.1	NE	NE	7.7	13	–2.3	–0.6	2	12.5	305.0	low
Univar	●/●	4	12.6	7.3	117.5	0.7	2	7.0	85.3	9	–28.2	22.0	low
Hercules	46/41	5	12.0	46.4	27.4	31.1	12	–0.2	1.3	4	5.9	287.1	low
EI du Pont de Nemours	43/59	6	10.6	12.7	22.5	5.8	3	3.5	4.3	5	3.8	6.4	very low
American Cyanamid	48/38	7	10.6	18.6	31.0	6.5	8	1.1	8.9	6	1.4	100.6	very low
Monsanto	68/●	8	8.2	10.9	38.8	5.6	9	0.6	4.2		NM	500.0	NM
Dow Chemical	41/31	9	8.0	20.4	62.4	8.4	11	–0.1	9.8	8	–9.0	308.9	very low
Union Carbide	79/●	10	7.2	17.5	304.2	2.8	15	–6.4	–5.7		NM	–76.8	NM

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BEST AVAILABLE COPY

oco vice president named Gordon Cain (FORBES, *July 13, 1987*), who used leveraged buyouts to snatch up out-of-favor petrochemical and plastics plants at bargain prices. The results include privately held Cain Chemical, with an estimated $1 billion in sales, and $413 million (sales) Sterling Chemicals. Says Myron Foveaux, an economist at the Chemical Manufacturers Association, "Everyone looks at him and says, 'My goodness, he's hit the jackpot.' "

Among the more established companies, one of the year's biggest winners was Dow Chemical, thanks to the profitability of petrochemicals and a restructuring program begun eight years ago. Restructuring also paid off for agriculture-dependent International Minerals & Chemical, which rebounded from an $80 million loss in the fiscal year ended June 30, 1986 to post a $15 million gain in fiscal 1987. The year's handful of losers included Henley Group, Inspiration Resources and NL Industries.

Expect the industry's good performance to continue in 1988, though perhaps not at 1987's strong rate. Also expect more acquisitions by Japanese and European companies, which are likely to do some bargain hunting in the wake of the stock market crash. "It's inconceivable that they are not looking at this opportunity right now," says Enrique Falla, chief financial officer of Dow Chemical, whose stock is up 38% for the year. "They can really make some very nice acquisitions in the U.S." ■

Yardsticks of management performance		**Profitability**					**Growth**						
		Return on equity					**Sales**			**Earnings per share**			
Company	**% in —segment— sales/profits**	**rank**	**5-year average**	**latest 12 months**	**debt as % of equity**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**earnings stability**
National Distillers	63/56	11	6.4%	22.9%	61.5%	9.5%	6	1.7%	16.6%	7	–8.2%	200.0%	low
Pennwalt	70/79	12	6.0	11.3	40.2	4.1	7	1.4	6.9		NM	57.3	NM
Olin	64/50	13	3.7	9.9	53.0	3.8	14	–2.4	8.5		NM	–8.7	NM
Aristech Chemical	•/•		NA	19.3	16.7	7.0	10	0.0	NA		NA	NA	NA
Henley Group	21/29		NA	def	20.6	def	1	30.7	8.8		NA	NA	NA
Medians			**10.6**	**17.5**	**38.8**	**5.8**		**1.1**	**7.7**		**–8.2**	**57.3**	
Specialized													
Morton Thiokol	55/72	1	24.8%	16.3%	3.1%	7.1%	2	20.0%	5.3%	3	14.0%	10.1%	low
Himont	•/•	2	21.1††	39.4	12.1	18.7		NA	11.0		NA	95.1	NM
Sequa	28/41	3	21.0	38.3	37.4	18.4	28	–3.9	91.7	1	40.0	500.0+	average
Intl Flavors & Frags	•/•	4	19.9	19.6	0.0	14.4	11	5.8	19.2	9	4.2	22.0	average
Nalco Chemical	•/•	5	19.5	18.1	3.9	9.3	21	2.0	9.3	13	–0.8	11.9	very low
Avery International	63/58	6	17.1	19.0	40.6	3.9	5	11.5	33.8	4	13.1	38.6	very high
Ethyl	46/62	7	16.1	20.1	60.8	11.4	24	–2.0	4.6	2	18.9	16.4	high
Witco	40/34	8	15.4	13.9	49.5	4.8	22	1.8	0.6	5	13.1	0.7	high
Dexter	38/30	9	15.0	15.6	39.3	5.4	12	5.2	16.5	10	3.3	25.9	average
Vulcan Materials	26/11	10	14.9	20.4	11.9	10.1	10	6.1	7.3	8	6.6	27.0	low
HB Fuller	•/•	11	14.3	17.1	20.3	4.1	6	10.2	15.5	6	8.0	29.3	average
GAF	50/77	12	14.1	16.6	69.5	12.5	18	3.2	8.6		NM	38.9	NM
Lubrizol	•/•	13	13.2	14.3	8.7	8.3	19	2.5	1.9	12	–0.7	7.8	very low
Engelhard	29/81	14	12.9	13.3	16.8	2.9	20	2.1	8.4	17	–8.8	50.0	average
Grow Group	53/59	15	12.3	def	240.4	def	7	8.7	25.5	7	7.5	P-D	average
Freeport-McMoRan	51/PD	16	10.9	32.4	48.8	22.6	26	–3.5	40.8	18	–18.9	500.0+	average
Tyler	40/51	17	10.7	6.7	122.4	1.1	17	3.5	11.7	15	–5.5	–1.4	very low
Air Prods & Chems	•/•	18	10.4	14.7	62.5	7.5	13	4.9	7.6	19	–35.9	500.0+	low
DeSoto	74/•	19	10.4	11.9	49.5	2.9	14	4.7	–6.2	16	–6.5	101.5	very low
Liquid Air	86/•	20	9.9	10.4	59.3	6.3	9	6.2	–1.0	14	–0.9	1.7	very low
Whittaker	38/43	21	9.1	14.5	21.2	6.8	34	–21.4	–27.3		NM	D-P	NM
Ferro	•/•	22	8.3	16.6	25.7	3.6	23	1.4	18.0	11	0.2	129.5	very low
Cabot	59/69	23	8.0	6.7	43.8	2.8	27	–3.7	8.7		NM	–44.5	NM
CBI Industries	39/77	24	6.9	2.5	40.3	1.5	15	4.5	–13.5		NM	–66.5	NM
Allied-Signal	24/28	25	5.1	16.1	55.9	5.3	3	13.0	–1.6		NM	D-P	NM
Great American Mgmt	43/23	26	4.8	0.1	217.4	0.4	1	42.9	48.1		NM	D-P	NM
Intl Minerals & Chem	67/54	27	4.3	3.6	66.6	2.7	31	–6.7	32.6		NM	D-P	NM
UGI	25/1	28	2.7	11.3	58.4	6.0	30	–6.5	–5.9		NM	D-P	NM
WR Grace	67/•	29	2.4	def	88.1	def	32	–8.8	–20.6		NM	P-D	NM
Koppers	42/26	30	def	14.5	22.5	4.8	29	–5.7	3.3		NM	D-P	NM
BF Goodrich	57/80	31	def	9.1	42.2	3.6	25	–2.4	–26.1		NM	D-P	NM
NL Industries	64/•	32	def	def	34.5	def	33	–12.3	–3.6		NM	D-D	NM
Inspiration Resources	57/21	33	def	def	67.4	def	8	7.5	5.4		NA	D-D	NM
Georgia Gulf	•/•		NA	55.5	82.7	10.5	4	11.6‡	10.6		NA	109.6	NA
Vista Chemical	•/•		NA	def	123.7	def	16	4.5	10.7		NA	P-D	NA
Medians			**10.7**	**14.5**	**43.8**	**4.8**		**3.4**	**8.4**		**–6.5**	**29.3**	
Industry medians			**10.6**	**14.5**	**41.4**	**5.3**		**2.1**	**8.4**		**–7.3**	**38.8**	
All-industry medians			**12.8**	**13.6**	**48.6**	**4.3**		**6.8**	**8.3**		**5.3**	**13.9**	

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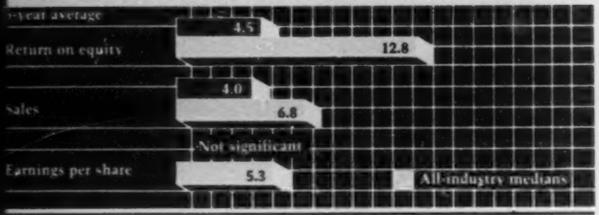
COAL

Despite record output, this industry is still in the pits.



By Kerry Hannon

LAST YEAR U.S. COAL PRODUCTION topped 905 million tons, a record. But that very glut, coupled with weak demand from a slimmed-down steel industry, kept prices soft, eaving the industry wallowing in the same slump it has been n since 1979. "The overhang will be with us until 1990," ays Joel Price, an analyst at Donaldson, Lufkin & Jenrette. "Then the demand for coal should increase if oil prices firm o around $20."

Utilities have taken advantage of the situation by demanding frequent downward price adjustments and by regularly renegotiating various long-term supply contracts. Spot coal prices for utilities averaged $24 per ton in 1987, or around 26% less than typical established contract prices. If coal companies don't talk, the utilities simply buy their way out of contracts and move into the spot market.

Meanwhile, the industry continued to diversify in 1987. Last year seven of the eight coal mining companies on our list eked out a profit in coal, but with the exception of Westmoreland Coal, most earnings came from non-coal-related activities. PacifiCorp, which owns 90% of Nerco, one of the largest U.S. coal producers, profited from investments in various electric utilities and telecommunications businesses. Building on that experience, the company has now agreed to buy Utah Power & Light in a stock swap valued at around $2 billion.

Other companies are following the same diversification

Yardsticks of management performance		Profitability					Growth						
							Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Coal													
Nacco Industries	65/79	1	22.1%	20.3%	178.2%	7.2%	4	5.9%	–14.6%	1	93.2%	4.2%	very high
PacifiCorp	24/NA	2	15.8	14.9	101.9	12.5	1	10.5	7.7	2	3.5	12.8	low
Montana Power	28/26	3	13.2	7.2	72.5	8.8	3	6.1	1.2	3	–4.9	–55.5	very low
Eastern Gas & Fuel	42/DP	4	4.5	3.4	52.8	1.9	6	0.2	–35.1		NM	–70.6	NM
Westmoreland Coal	87/●	5	0.7	4.0	26.3	1.3	5	2.1	–1.5		NM	–63.3	NM
Pittston	46/71	6	def	2.4	9.9	1.0	8	–13.5	4.5		NM	50.0	NM
AMAX	51/83	7	def	20.2	78.8	6.9	7	–12.5	106.9		NM	D-P	NM
Cyprus Minerals	54/66		NA	2.5	13.8	2.7	2	8.0	–9.1		NA	D-P	NA
Industry medians			4.5	5.6	62.6	4.8		4.0	–0.2		NM	8.5	
All-industry medians			12.8	13.6	48.6	4.3		6.8	8.3		5.3	13.9	

● 90% or more. **DD:** Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. †Four-year average. ‡Four-year growth. ††Three-year average. ‡‡Three-year growth. For further explanation, see page 65.

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strategy. Cyprus Minerals is aggressively moving into gold mining in order to offset the loss of two large coal supply contracts it had with now-bankrupt LTV Corp. Pittston Corp., once a leading Appalachian coal producer, now gets nearly 80% of its revenues, and virtually all its profits, from noncoal activities. In 1987 the firm paid $100 million to acquire WTC International, an air freight company.

Similarly, in 1987 Nacco Industries, the nation's eighth-largest producer, sold 15% of its remaining coal reserves for a net gain of $10 million, reinvesting the proceeds in its factory equipment business. And in March Eastern Gas & Fuel Co. unloaded its entire 12.7-million-ton-a-year coal business on Peabody Coal, to concentrate instead on a moneymaking barge operation. ■

Maverick miner

While his competitors are all rushing to get out of the business, the man who runs 133-year-old Westmoreland Coal Co. (estimated 1987 revenues, $540 million) is pushing more deeply than ever into the mining and marketing of coal. Edward B. Leisenring, 61, spent $24 million in 1987 to buy 150 million tons of low-sulfur steam coal reserves in Kentucky and another $50 million to modernize his mines. Another $50 million is earmarked for new equipment in 1988, fresh thinking indeed for an industry that has been downsizing for nearly a decade.

Capital spending is not the only area in which original thinking is taking Westmoreland Coal off in a different direction. While everyone else is tied in knots over how to deal with belligerent utilities demanding lower prices, Leisenring has put the problem behind him by dealing with it head-on: He has actively renegotiated every long-term contract on Westmoreland's books. Included: a 660,000-ton-a-year supply deal that Georgia Power wanted out of and Leisenring tore up for a cash payment of $35 million.

Such novel thinking brings results. Tonnage sold in 1987 was up 4% over 1986 levels, worker productivity has jumped 100% since 1983, and shareholder return on equity has remained steady with the industry mean. Earnings for 1987 will total around $1.40 a share, and by the early 1990s could easily exceed $3.

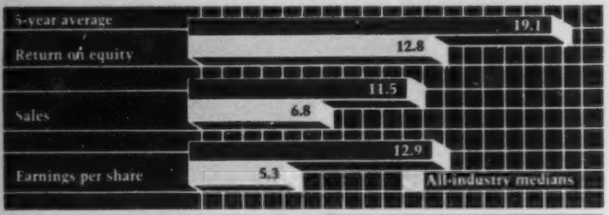
Some people might say Leisenring's strategy is backward-looking and unimaginative. But consider this: Energy prices are bound to rise eventually, and when they do, one company will stand apart as the only pure play in a reviving industry—Westmoreland Coal.

Edward B. Leisenring of Westmoreland Coal

Nick Kelsh

COMMUNICATIONS MEDIA

Finally, a long good-bye to high-priced deals.



By Lisa Gubernick

THE FEEDING FRENZY IN THE MEDIA BUSINESS lasted longer than anyone expected, but by 1987's end it was over, victim of overheated prices and the October crash. Paying $2,000 per cable subscriber came and went, as did multiples of 50 times earnings paid for book publishers.

Cablevision made a $294.5 million bid for Adams-Russell in July (the sale is expected by year-end), a price (with debt) equivalent to $2,000 per subscriber. That amounted to the high-water mark for the industry. "I think we're living in a fool's paradise with cable prices," noted a prescient Garner Anthony, the outgoing chairman of Cox Enterprises. By November quoted prices were down to around $1,700 a subscriber and falling fast. Another sign of a slowdown: the collapse of the $2 billion merger between United Artists Communications and United Cable Television.

On Broadcast Row, by contrast, 1987 remained a year of belt-tightening and uncertainty. Laurence Tisch oversaw substantial cutbacks at CBS. NBC successfully weathered a 17-week strike by the National Association of Broadcast Employees & Technicians, then eliminated 200 union positions—half from the August sale of NBC radio networks to Westwood One. Capital Cities/ABC Chairman Thomas Murphy continued cost-cutting at ABC, ultimately eliminating 1,400 of 14,000 jobs and cutting back on the money paid by the network to its affiliated stations. In the end, however, the networks wound up where they had begun, with NBC in first place in the November Nielsen sweeps (a 28% share), followed by CBS (23%) and Cap Cities/ABC in third (21%).

Last year was also the year that foreigners made big moves into U.S. advertising and publishing businesses. The appeal? A weak dollar, plus freedom from the sort of regulatory interference from Washington that gives fits to broadcasters. In the spring communications biggie Rupert Murdoch's Australian company, The News Corp., Ltd., picked up Harper & Row for $65 per share. In July WPP Group Plc., a London-

Overnight redesigner

In an industry in which diversification has long reigned supreme as a business strategy, Laurence Tisch stood out in 1987 as its most innovative, dynamic leader. While his two leading network rivals disappeared into non-network parents, Tisch aggressively reshaped CBS into the only pure play left in the network broadcast industry. "He has redesigned CBS overnight," says Smith Barney analyst Edward Atorino. "With the sale of the record division, Tisch has undone two decades of expansion."

In the last year Tisch has sold over $3 billion worth of businesses: $2 billion for its records division to Sony (the sale should be completed in early 1988); $650 million for an employee leveraged buyout of its magazine division; $500 million for the sale of its textbook publishing division; and $125 million for its music publishing division. Meanwhile, there has been cost-cutting aplenty as Tisch has pink-slipped some 30% of CBS' corporate staff, along with roughly 10% of the news division.

Result? Earnings per share should be up 30% from 1986 levels, to an estimated $9.80 in 1987. The fourth-quarter broadcast division figures are the bellwether of Tisch's stewardship. After losing an estimated $20 million in fourth-quarter 1986, broadcasting operations are expected to come close to breaking even for the same period in 1987.

Tisch has built a more efficient machine, but can he provide quality programming? CBS has not had a major new hit since *Murder, She Wrote* debuted in September 1984, and this fall season was no exception. In November Tisch replaced CBS' failed programming chief, Bud Grant, with Kim LeMasters, formerly vice president of programs. Tisch also negotiated a first call on any promising ideas to emerge from the new production company headed by ex-NBC chairman Grant Tinker. Under Tinker, NBC brought out such hits as *Hill Street Blues* and *St. Elsewhere*, and Tisch has now arranged what amounts to a risk-free way for CBS to tap that talent.

Laurence Tisch of CBS

Joe McNally/Wheeler Pictures

COMMUNICATIONS MEDIA

based marketing service concern, completed its purchase of the JWT Group, Inc. Britain's Robert Maxwell made a run for Harcourt Brace Jovanovich. HBJ's William Jovanovich beat him off with a complex recapitalization plan that put $40 a share in cash (plus stock worth about $10) into the pockets of happy HBJ shareholders. Unfortunately, HBJ was left with a negative net worth of $1 billion, leaving the firm extremely vulnerable to any downturn in the economy.

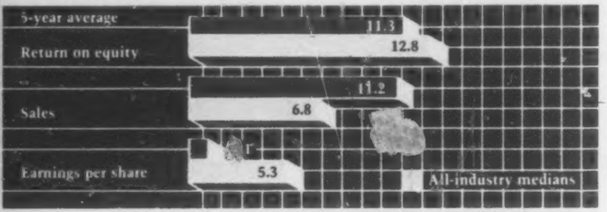
There were happier tidings on the newspaper front. After a five-year struggle, America's "McNewspaper," Gannett's Washington-based *USA Today,* in May finally turned its first monthly profit—$1.1 million. Meanwhile in Los Angeles, Times Mirror continued selling off weak operations, including most of its ownership in its forest products and newsprint subsidiary as well as a California-based commercial printer. The divestitures left the company poised to take advantage of the improved climate for advertising. Total lineage was up 5% over last year (through September), with actual dollars up about 10%. Other good news: Newspapers, which don't have many depreciable assets, should be prime beneficiaries of tax reform. Instead of paying an effective tax rate of 50%, the industry will pay only 40% in 1987. ■

Yardsticks of management performance		**Profitability**					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Publishing													
Commerce Clearing	57/61	1	41.3%	32.6%	2.2%	9.6%	15	9.3%	12.7%	14	12.2%	0.3%	high
Dun & Bradstreet	65/●	2	35.4	30.8	0.0	11.7	2	20.9	5.9	10	17.8	36.7	average
Deluxe Check	●/●	3	32.1	33.8	3.0	15.1	11	11.5	9.7	8	19.6	21.5	very high
Dow Jones	●/●	4	31.0	27.4	49.8	16.5	10	12.2	9.8	9	18.6	12.6	very high
Washington Post	75/65	5	27.7	36.2	58.4	12.4	14	10.2	9.5	5	28.8	64.4	very high
Times Mirror	78/76	6	23.3	23.8	58.7	10.1	20	7.6	4.7	6	22.2	–15.5	high
New York Times	●/●	7	22.4	21.8	34.9	9.2	5	13.4	8.3	7	21.3	18.7	very high
McGraw-Hill	●/●	8	21.9	18.1	0.6	9.2	21	7.4	9.8	18	9.4	2.3	very high
Time Inc	58/51	9	21.7	16.3	78.9	5.1	7	12.6	11.0	3	38.4	–45.9	NM
Jostens	21/NA	10	21.7	31.9	85.9	7.5	12	11.2	2.1	19	8.5	29.0	very high
Gannett	80/88	11	21.5	21.0	80.4	10.0	4	14.9	14.6	16	10.7	12.3	very high
Capital Cities/ABC	24/25	12	19.8	12.0	80.3	5.8	1	38.4	31.5	13	13.5	55.4	very high
Macmillan	75/85	13	19.1	21.5	113.6	7.4	3	15.7	18.7	1	40.5	16.9	very high
Meredith	73/59	14	18.7	11.2	5.6	5.9	22	4.6	8.7	12	13.9	–13.5	very high
RR Donnelley & Sons	●/●	15	17.8	25.9	10.9	8.8	6	12.8	13.0	11	15.0	69.5	very high
American Greetings	●/●	16	17.6	10.7	47.3	4.9	8	12.5	9.6	15	11.8	–22.2	average
Knight-Ridder	87/●	17	16.5	17.8	65.8	7.3	16	9.2	9.7	17	10.2	7.6	very high
Harcourt Brace	57/56	18	16.0	def	NE	def	9	12.4	26.6	2	40.0	P-D	high
Tribune	62/67	19	15.2	10.9	41.2	5.6	18	8.5	6.1	4	34.2	–60.6	average
Pittway	25/40	20	13.3	10.3	6.1	4.6	17	8.7	8.3	21	–0.9	–4.6	very low
Standard Shares	26/40	21	13.2	17.9	18.4	4.2	19	8.2	5.8	20	4.4	58.1	very low
Media General	42/77	22	13.2	def	61.1	3.3	13	11.2	13.3	22	–8.0	P-D	low
Gulf & Western	25/25	23	7.5	15.4	65.3	6.9	23	–14.5	22.8		NM	38.2	NM
Medians			19.8	18.1	47.3	7.4		11.2	9.7		13.9	12.3	
Broadcasting													
Time Inc	42/49	1	21.7%	16.3%	78.9%	5.1%	6	12.6%	11.0%	1	38.4%	–45.9%	NM
Capital Cities/ABC	76/75	2	19.8	12.0	80.3	5.8	1	38.4	31.5	4	13.5	55.4	very high
CBS	59/54	3	19.3	42.4	84.4	9.4	9	3.6	–5.9	6	0.8	105.0	low
Meredith	20/41	4	18.7	11.2	5.6	5.9	8	4.6	8.7	3	13.9	–13.5	very high
United Artists	34/50	5	16.8	6.8	500.0+	1.3	5	16.6	17.4	5	11.1	–9.5	very low
Media General	26/DP	6	13.2	def	61.1	3.3	7	11.2	13.3	7	–8.0	P-D	low
Tele-Communications	●/●	7	8.7	7.6	489.8	4.1	4	28.4	127.5	2	27.8	–34.7	average
Turner Broadcasting	60/20		NA	NE	500.0+	def	2	38.2	24.7		NM	D-D	NA
Viacom	●/82		NA	NA	255.0	def	3	28.7	15.9		NA	NA	NA
Medians			18.7	7.9	84.4	4.1		16.6	15.9		12.3	–24.1	
Media services													
Dun & Bradstreet	35/10	1	35.4%	30.8%	0.0%	11.7%	1	20.9%	5.9%	1	17.8%	36.7%	average
Ogilvy Group	●/●	2	20.0	16.5	18.4	4.0	2	14.3	26.5	3	12.3	–5.9	high
Interpublic Group	●/●	3	18.9	18.8	7.3	5.1	3	11.3	17.6	2	17.6	11.4	very high
Omnicom Group	●/●	4	7.5††	15.0	26.3	3.4	4	10.3‡‡	5.4		NM	500.0+	NM
Medians			19.5	17.6	12.8	4.6		12.8	11.7		14.9	24.0	
Industry medians			19.1	17.8	49.8	5.9		11.5	9.8		12.9	9.5	
All-industry medians			12.8	13.6	48.6	4.3		6.8	8.3		5.3	13.9	

● 90% or more. **DD:** Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. †Four-year average. ‡Four-year growth. ††Three-year average. ‡‡Three-year growth. For further explanation, see page 65.

COMPUTERS AND ELECTRONICS

Turnaround time in a troubled industry.



By Marc Beauchamp

AFTER A TWO-YEAR SLUMP, this industry bounced back in 1987, thanks to new products, a weaker dollar and some protectionist assistance from Washington.

Early in the year, Apple unveiled its new, high-end Macintosh, which for the first time can be connected to computers made by International Business Machines. A few weeks later, IBM introduced its new personal computer family, the PS/2. Fault-tolerant computermaker Tandem broadened its product line and broke the $1 billion sales barrier. Compaq introduced its fastest-yet desktop computer, built around Intel's latest microprocessor. And Sun Microsystems launched the first in a family of ultra-high-performance work stations. New products also helped Digital Equipment Corp., whose earnings rose 84% over 1986 levels during the year.

This in turn spelled good news for semiconductor manufacturers. More than 30% of the chips made by U.S. companies end up in computers and office equipment. Intel posted record sales in the third quarter and likely earned $160 million this year versus a $183 million loss in 1986. Chip profits were up sharply at Motorola, and Texas Instruments'

Yardsticks of management performance		**Profitability**					**Growth**						
		Return on equity					**Sales**			**Earnings per share**			
Company	**% in —segment— sales/profits**	**rank**	**5-year average**	**latest 12 months**	**debt as % of equity**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**earnings stability**
Computers													
Seagate Technology	●/●	1	61.1%	44.4%	85.3%	13.1%	2	106.6%	78.1%	8	22.4%	121.2%	low
Sun Microsystems	●/●	2	59.2†	22.2	52.9	6.7	1	190.2‡‡	137.8	1	130.4‡‡	87.9	very high
Telex	●/●	3	33.4	21.3	20.2	8.8	8	34.7	11.9	5	40.6	3.9	very high
Intergraph	●/●	4	30.0	13.0	1.0	10.7	5	47.5	–0.1	3	52.4	–8.8	very high
Tandy	30/NA	5	27.4	19.5	14.1	7.4	20	12.2	13.4	17	4.2	30.9	very low
Cray Research	●/●	6	27.1	29.6	22.7	20.6	7	41.4	21.8	4	46.6	19.0	high
IBM	●/●	7	23.9	13.3	10.5	8.6	19	12.4	3.3	14	8.7	–23.9	average
Apple Computer	●/●	8	23.5	29.8	0.0	8.2	6	43.7	39.9	9	17.8	38.1	average
Compaq Computer	●/●	9	22.0††	42.6	48.8	10.6	3	75.2‡‡	64.6	2	124.8‡‡	120.6	very high
Prime Computer	●/●	10	19.3	12.9	107.8	6.2	12	19.4	10.2	15	5.7	12.5	low
SCI Systems	●/●	11	18.3	13.4	109.9	2.9	4	60.6	25.7	7	30.1	16.5	very high
Hewlett-Packard	86/NA	12	17.4	14.6	2.2	8.0	14	15.2	13.9	13	10.2	23.8	average
Reynolds & Reynolds	50/44	13	16.9	11.8	44.0	3.8	16	13.8	39.3	6	30.1	–21.7	NM
Carlisle Cos	37/23	14	15.7	10.3	185.3	3.6	24	4.9	14.6	18	–7.5	18.5	average
NCR	90/NA	15	14.8	16.1	4.5	7.3	23	7.3	14.5	11	12.7	21.6	very high
Wang Laboratories	●/●	16	14.6	def	44.1	def	10	26.1	9.4	20	–23.3	P-D	very low
Tandem Computers	●/●	17	12.2	17.7	1.1	10.2	9	29.2	34.9	12	12.1	50.0	average
Digital Equipment	●/●	18	11.3	19.5	4.3	12.4	11	19.5	23.4	16	5.6	64.7	low
Harris Corp	38/31	19	9.9	9.3	14.8	4.2	22	8.9	–0.5	19	–12.2	36.5	high
Amdahl	●/●	20	7.3	22.8	26.7	8.8	13	17.9	53.3	10	16.0	438.6	very low

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returned to the black.

Many chipmakers benefited from Reagan Administration sanctions on Japanese electronics companies for dumping chips, as well as for limiting access to the huge Japanese chip market. The sanctions forced Japan's Ministry of International Trade & Industry to order production cuts. As gray markets dried up and the yen strengthened, chip prices rose and profit margins widened for U.S. firms.

But U.S. chipmakers themselves deserve credit as well. During the slump of the last two years they cut workers,

Plowing ahead anyway

Project Scheduling

John Akers of IBM

Louis Psihoyos

IBM innovative? You'd hardly know it from the lousy press it had in 1987: Yet more stories on the supposed death of the mainframe, how Digital Equipment is eating IBM's lunch and how the clones have taken over the personal computer business.

Yet for all the bad press, IBM stands apart as the most innovative company in the industry—if for no other reason than its new line of personal computers, the PS/2. While the rest of the world seemed obsessed with IBM's woes of slumping profits (off nearly 20% since 1984) and high overhead, Chief Executive John Akers pushed ahead with the PS/2 anyway.

Though late in getting into personal computers, IBM quickly set the standard. Now IBM is not only the sun in the personal computer solar system but, with the advent of the PS/2, it will begin to "alter the way individuals, work groups and departments do business for the next 10 to 15 years," predicts Norman DeWitt, Dataquest's personal computer expert.

The PS/2's improvements go beyond such cosmetics as graphics and convenient windows. With the PS/2, users soon will be able to run more than one program simultaneously as well as easily share data with other PCs, minicomputers and mainframes. The PS/2's new operating system, jointly developed with Microsoft, will vastly expand the amount of memory available to software developers, opening the way to a huge new world of PC programs for the 1990s.

From its introduction in April through October, IBM shipped 1 million PS/2s. (The original IBM PC took 28 months to reach that milestone.) For now the cheaper machines are selling best. But longer term, with an enhanced operating system and new software, the PS/2 should help IBM win back market share from the clones and boost earnings.

overhead and capacity so as to make the most of the upturn when it came.

Meanwhile, the industry began its long-expected consolidation. Bigger firms, some analysts argue, are better suited to take on the Japanese. Thus, in August, Advanced Micro Devices and Monolithic Memories merged. Then, in October, National Semiconductor paid $122 million in stock and warrants for Silicon Valley pioneer Fairchild after Washington blocked a reported $225 million bid by Japan's Fujitsu on national security grounds.

Unfortunately, the turnaround largely eluded the companies that make the equipment that semiconductor firms use in their manufacturing processes. Growth in the equipment market is likely to wind up no more than about 5% in dollar terms for 1987 as a whole, largely because many chipmakers are discovering that they can make do with existing capacity.

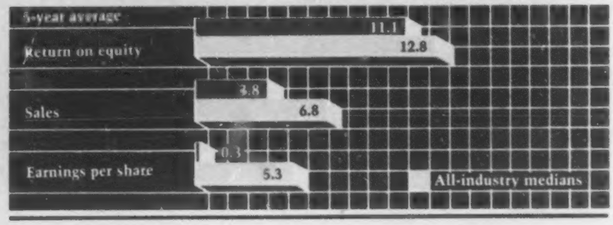
What's next? The October stock market crash bloodied this volatile stock group more than most, and slower economic growth or even a recession has become a possibility. But after two years of cost-cutting and restructuring, computer makers and chip makers are in a much better position to cope with whatever happens. ■

Yardsticks of management performance		**Profitability**					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	**% in —segment— sales/profits**	**rank**	**5-year average**	**latest 12 months**	**debt as % of equity**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**earnings stability**
Unisys	●/●	21	6.5%	def	46.0%	1.8%	15	14.6%	43.5%		NM	P-D	NM
Data General	●/●	22	5.9	def	12.6	def	17	13.2	0.5	21	–24.6%	P-D	very low
Computervision	●/●	23	4.8	8.1%	72.0	2.7	18	12.9	14.7		NM	D-P	NM
Zenith Electronics	36/NA	24	4.3	def	67.9	def	21	9.0	27.8		NM	D-D	NM
General Instrument	20/ 6	25	def	def	42.3	def	26	–4.2	27.3		NM	D-D	NM
Gould	53/17	26	def	2.7	55.1	1.7	29	–10.7	–11.4		NM	D-P	NM
Datapoint	●/●	27	def	def	55.0	def	27	–4.9	–4.0		NM	D-D	NM
Control Data	●/●	28	def	def	46.1	def	25	2.2	–2.4		NM	D-D	NM
Storage Technology	●/●	29	def†	NE	129.9	2.4	28	–8.0	6.7		NM	–68.2%	NM
Medians			**14.8**	**13.0**	**44.0**	**6.2**		**14.6**	**14.6**		**5.7**	**18.5**	
Electronic equipment													
EG&G	●/●	1	28.0%	22.0%	7.6%	4.4%	2	11.2%	4.6%	5	8.8%	3.8%	average
Sequa	47/47	2	21.0	38.3	37.4	18.4	14	–3.9	91.7	1	40.0	500.0+	average
Pitney Bowes	●/●	3	19.3	34.5	16.5	8.5	6	7.3	11.9	2	19.3	93.7	very high
AMP	●/●	4	18.8	19.9	5.3	10.3	3	9.7	18.9	7	2.6	62.0	very low
Bairnco	25/11	5	15.6	14.5	42.0	4.5	1	25.5	7.8	3	17.8	30.7	high
Perkin-Elmer	45/DP	6	12.5	def	6.8	def	9	4.6	1.6	8	1.1	P-D	very low
Tektronix	●/●	7	11.1	4.5	20.3	2.8	8	5.5	2.6	10	–8.1	–21.9	very low
Tyler	40/10	8	10.7	6.7	122.4	1.1	10	3.5	11.7	9	–5.5	–1.4	very low
General Signal	48/29	9	10.3	7.2	9.7	4.2	13	0.2	–7.0	11	–12.5	93.3	average
Eaton	61/11	10	9.6	17.9	52.2	6.6	7	7.1	–10.8	4	9.4‡‡	70.9	very low
Corning Glass Works	31/44	11	9.5	11.4	28.7	8.1	11	3.0	9.0	6	8.0	–8.0	low
Varian Associates	81/DP	12	9.2	5.1	8.7	2.2	5	8.6	10.3		NM	D-P	NM
Honeywell	32/25	13	6.1	def	26.4	def	12	1.9	–8.9		NM	P-D	NM
General Instrument	51/41	14	def	def	42.3	def	15	–4.2	27.3		NM	D-D	NM
Natl Semiconductor	48/●	15	def	def	9.1	def	4	9.5	20.0		NM	D-D	NM
Gould	47/83	16	def	2.7	55.1	1.7	16	–10.7	–11.4		NM	D-P	NM
Medians			**10.5**	**6.9**	**23.3**	**3.5**		**5.0**	**8.4**		**–2.2**	**17.3**	
Semiconductors													
Advanced Micro	●/●	1	11.9%	def	20.7%	def	1	18.5%	45.3%		NM	D-D	NM
Motorola	31/21	2	11.3	9.7%	11.7	4.2%	2	12.7	13.3	1	–9.0%	48.2%	very low
Avnet	77/73	3	10.9	4.4	33.6	1.8	6	4.9	12.3	2	–15.6	28.6	average
Intel	●/●	4	5.5	6.6	26.2	5.2	3	12.1	37.7		NM	D-P	NM
Texas Instruments	40/12	5	4.3	16.2	22.7	3.8	7	4.2	11.3		NM	D-P	NM
General Instrument	29/53	6	def	def	42.3	def	8	–4.2	27.3		NM	D-D	NM
Natl Semiconductor	52/DP	7	def	def	9.1	def	4	9.5	20.0		NM	D-D	NM
Arrow Electronics	●/●	8	def	def	149.2	0.1	5	9.4	13.0		NM	D-D	NM
Medians			**4.9**	**0.3**	**24.4**	**0.9**		**9.5**	**16.6**		**NM**	**NM**	
Industry medians			**11.3**	**11.4**	**26.4**	**4.2**		**11.2**	**13.0**		**1.1**	**19.0**	
All-industry medians			**12.8**	**13.6**	**48.6**	**4.3**		**6.8**	**8.3**		**5.3**	**13.9**	

● 90% or more. **DD:** Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. †Four-year average. ‡Four-year growth. ††Three-year average. ‡‡Three-year growth. For further explanation, see page 65.

CONGLOMERATES

Nip-and-tuck operations were all the rage, but stocks sagged anyway.



By Laura Jereski

INSTEAD OF PLAYING the mergers and acquisitions game, the companies in this industry by and large stayed sellers, just as they were in 1986. Their goal: to get rid of low-return-on-assets businesses and concentrate on a handful of top performers. With a high stock market for most of the year, divestitures continued unabated.

For some, the strategy is paying off nicely. Gone, for example, are ITT's low-return telecommunications businesses. In their place is a corporate focus on higher-margin activities in insurance, electronics and hotels. With proceeds of various divestitures, ITT has been buying in its stock, thereby reducing the number of outstanding shares. This has been partly responsible for boosting the firm's earnings per share to $5.02 over the last 12 months.

Yardsticks of management performance	**Profitability**					**Growth**						
	Return on equity					**Sales**			**Earnings per share**			
Company	**rank**	**5-year average**	**latest 12 months**	**debt as % of equity**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**earnings stability**
Fuqua Industries	1	25.6%	17.5%	87.4%	6.2%	13	3.4%	–9.8%	6	9.4%‡	–9.3%	low
Teledyne	2	21.4	15.2	28.0	7.7	16	1.6	0.5	3	18.9‡	10.3	low
Minn Mining & Mfg	3	18.8	19.9	8.9	9.7	7	5.9	8.4	9	3.4	20.5	average
American Brands	4	18.5	9.2	40.1	8.4	8	5.2	3.5	11	0.4	–33.1	very low
Dover	5	18.4	16.5	4.1	6.8	6	8.7	7.2	12	0.2	20.1	very low
Raytheon	6	18.3	21.8	2.1	5.6	9	5.2	8.4	8	5.2	14.5	low
Berkshire Hathaway	7	17.2	8.6	2.7	8.8	3	33.3	21.3	2	46.0	–60.2	high
Figgie Intl	8	14.6	15.9	27.6	4.8	10	3.9	8.0	7	7.7	11.7	average
Alco Standard	9	14.0	17.1	69.7	2.2	5	11.3	–15.8	13	–2.9	35.6	average
Household Intl	10	13.5	22.0	456.4	8.2	23	–18.9	–16.0	4	16.6	47.6	high
Emhart	11	13.2	14.1	59.7	4.2	14	3.1	19.0		NM	D-P	NM
Textron	12	11.1	18.5	84.5	4.0	4	17.9	13.1	5	15.5	32.0	average
Insilco	13	10.6	10.4	44.5	4.9	12	3.8	–4.2	10	2.3	21.2	very low
Jim Walter	14	10.3	14.7	66.6	7.0	11	3.9	2.8	1	72.4	10.2	very high
ITT	15	8.5	11.0	33.6	9.7	22	–14.0	–39.0	14	–12.5	111.9	average
DWG	16	8.3	25.4	289.1	2.0	2	37.9	4.2		NM	D-P	NM
Tenneco	17	7.5	def	132.8	0.1	18	–0.6	–4.3		NM	D-D	NM
Penn Central	18	6.7	5.7	2.9	7.6	19	–6.5	–33.7		NM	21.9	NM
IC Industries	19	4.5	12.2	82.7	4.5	15	1.6	–5.2		NM	D-P	NM
GATX	20	def	16.1	500.0+	6.9	21	–13.7	–4.4		NM	83.1	NM
Amfac	21	def	def	67.3	def	17	–0.4	–8.0		NM	D-D	NM
Allegheny Intl	22	def	def	NA	def	20	–7.9	–40.2		NM	D-D	NM
Pullman	23	def††	9.5	23.4	3.0	1	166.3‡	8.4		NA	–5.0	NM
Industry medians		11.1	14.7	52.1	5.6		3.8	0.5		0.3	20.1	
All-industry medians		12.8	13.6	48.6	4.3		6.8	8.3		5.3	13.9	

● 90% or more. **DD:** Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. †Four-year average. ‡Four-year growth. ††Three-year average. ‡‡Three-year growth. For further explanation, see page 65.

Similarly, IC Industries in September decided to spin off the Illinois Central Gulf Railroad to shareholders to concentrate more fully on commercial and consumer products. By clearing some $340 million of low-return assets from the balance sheet, winners like the Pet food division can shine through. The company has also been buying back its shares, as have Figgie and GATX.

But in spite of good intentions, diversified companies as a group once again underperformed the market. Many of these stocks fared worse than the 6% decline in the S&P 500 in the year to mid-December. Why the dismal showing? One reason, says Jack Kelly at Goldman, Sachs, is that these companies tend to get their biggest boost at the dawn of a bull market. In the latter stages of the market, they tend to fade while the market surges ahead.

But don't expect the change in investment fashion and the stock crash of October to slow divestitures by the diversified companies. Some companies may feel tempted to sell finance and insurance subsidiaries if for no other reason than to make the best of some inconvenient new accounting rules due to take effect in 1988.

Until now, most companies have preferred to consolidate income statements, but not the balance sheets, of highly leveraged subsidiaries. So handled, the parent companies' books show relatively low debt but great profit margins and return on equity.

Beginning this year, however, companies will have to consolidate both or neither. Thus, for example, ITT's 3.8% return on assets could drop to 1.7%, because the ITT balance sheet will have to reflect the huge Hartford Insurance and ITT Financial balance sheets. This accounting rule, which alters the appearance of financial statements without changing the underlying realities, will also affect American Brands, Berkshire Hathaway and Textron, among others. Divesting themselves of heavily indebted operations could help solve the problem. ■

Foxy Fuqua

The real goal of the companies in this group is not the production of goods or services but the production of impressive financial returns, and in 1987 Fuqua Industries proved itself the most innovative of the lot. Because of looming changes in accounting rules that are to take effect in 1988, the company faced the prospect of having to consolidate its balance sheet with that of a Fuqua subsidiary, Georgia Federal Savings & Loan. Doing so would have greatly pushed up Fuqua's reported debt and lowered its return on assets, thereby doing potentially grave damage to the stock.

Fuqua had already decided to sell Georgia Federal by the time Wall Street crashed in October, and so far as the company's quick-witted founder and chairman, J.B. Fuqua, 69, is concerned, nothing has changed since then. Fuqua paid $223 million to acquire the bank and expects to realize about $400 million from its sale. In addition to a neat profit, Fuqua can thereby avoid consolidating Georgia Federal on its balance sheet.

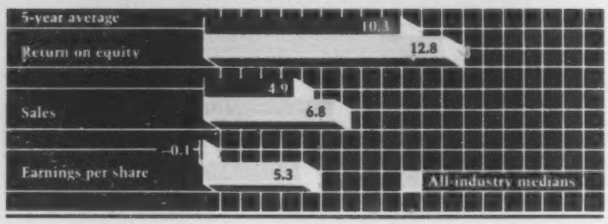
Fuqua will not use the money from the Georgia Federal sale to repay its debt because it is cheaper to hold on to it. Nor does it see any good bargains in acquisitions. Instead it plans to buy back almost half its shares. Such a tactic is nothing new for Fuqua, who has been steadily reshaping his company since 1979, when it peaked at slightly more than $2 billion in sales. While other conglomerators were busy acquiring, Fuqua had already begun divesting some of its low-margin businesses, and now has been reduced to four operating divisions. Today Fuqua's sales are about $750 million, yet return on equity stands at just over 25%—twice what it was when the restructuring began. In sum, investors in Fuqua Industries don't necessarily get a stake in a thriving, product-oriented enterprise. But they do get a chance to profit from some of the canniest financial acumen in business.

J.B. Fuqua of Fuqua Industries

Rob Nelson/Picture Group

CONSTRUCTION

In 1988 three words will say it all: Look out below.



By Jack Willoughby

If it wasn't clear before, it is now: The construction business has peaked. The year ahead will be slow whether the economy surges, slows or slides into recession, and builders and suppliers can look forward to tightening margin pressure as inventories swell and cost-cutting spreads.

The year 1987 saw the squeeze begin. In cement making, demand and prices were up, but Mexican imports surged and pressure on profit margins intensified. Now, with the dollar in decline, hard-pressed U.S. companies are being scooped up by European rivals like Britain's Blue Circle, Tarmac and

Yardsticks of management performance		**Profitability**					**Growth**						
		Return on equity					**Sales**			**Earnings per share**			
Company	**% in —segment— sales/profits**	**rank**	**5-year average**	**latest 12 months**	**debt as % of equity**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**earnings stability**
Residential builders													
MDC Holdings	84/74	1	29.3%	10.3%	313.8%	3.0%	1	64.9%	24.9%	6	27.7%	–44.9%	very high
Pulte Home	●/●	2	23.7	11.3	32.0	2.9	5	16.4	1.9	8	7.9	18.4	very low
Fleetwood Enterprises	37/12	3	23.1	14.5	0.0	3.4	2	26.0	7.8	1	74.7	16.8	average
Ryland Group	●/●	4	22.1	31.9	92.7	4.2	3	25.5	31.2	3	48.6	41.0	high
Centex	45/65	5	13.3	8.3	49.0	2.2	6	8.2	–6.2	5	32.4	–38.8	NM
Del E Webb	45/●	6	9.4	def	47.0	def	9	–5.7	–5.1	2	55.6	P-D	NM
Skyline	67/55	7	6.7	9.7	0.0	4.0	7	4.6	1.2	7	10.6	19.1	high
Kaufman & Broad	48/45	8	6.5	18.8	212.1	4.0	4	19.4	35.9	4	37.6‡‡	54.5	high
US Home	88/●	9	def	1.8	112.6	0.4	8	–3.1	–1.2		NM	D-P	NM
Medians			**13.3**	**10.3**	**49.0**	**3.0**		**16.4**	**1.9**		**32.4**	**18.4**	
Commercial builders													
Turner	●/●	1	21.7%	def	54.5%	def	9	3.2%	16.6%	2	0.4%	P-D	very low
Dover	40/37	2	18.4	16.5%	4.1	6.8%	4	8.7	7.2	3	0.2	20.1%	very low
Blount	59/3	3	15.7	4.7	123.9	0.5	2	10.7	2.8	9	–19.1	66.7	low
Centex	43/5	4	13.3	8.3	49.0	2.2	5	8.2	–6.2	1	32.4	–38.8	NM
Morrison-Knudsen	76/23	5	12.1	def	26.0	def	12	–0.7	–10.2	4	–0.1	P-D	very low
DynCorp	44/28	6	11.5	11.1	5.5	1.3	3	10.4	17.7	7	–14.9	149.1	average
United Technologies	31/DP	7	10.9	4.5	43.2	1.1	10	3.2	8.8	10	–33.9	–62.0	average
Foster Wheeler	38/34	8	10.6	5.7	45.3	2.0	16	–6.6	–1.1	8	–17.6	1.4	very high
American Standard	46/38	9	10.5	14.6	35.9	3.6	6	6.8	4.9	5	–3.1	38.3	very low
Guy F Atkinson	76/35	10	10.1	5.0	25.1	1.0	17	–7.8	7.0	6	–10.0	–14.5	low
CBI Industries	54/1	11	6.9	2.5	40.3	1.5	8	4.5	–13.5		NM	–66.5	NM
Fischbach	●/●	12	5.2	def	34.7	def	11	–0.3	–0.2		NM	D-D	NM
Enserch	35/DP	13	5.2	2.6	95.9	1.3	14	–3.9	–5.9		NM	D-P	NM
Perini	●/6	14	3.5	8.5	47.5	1.1	13	–3.0	–4.1		NM	152.8	NM
Halliburton	38/2	15	3.3	0.9	9.5	0.6	20	–14.9	–18.1		NM	D-P	NM
Butler Manufacturing	79/75	16	2.8	2.5	29.8	0.5	7	6.1	9.3		NM	–70.7	NM
Trinity Industries	42/41	17	2.5	2.3	109.4	0.7	15	–5.1	12.8		NM	–42.5	NM
Dravo	65/DP	18	def	def	26.3	def	19	–12.3	–24.8		NM	P-D	NM
Fluor	79/●	19	def	def	35.9	def	18	–8.8	–2.5		NM	D-D	NM
Henley Group	40/3		NA	def	20.6	def	1	30.7	8.8		NA	NA	NA
Medians			**10.1**	**2.6**	**35.9**	**0.9**		**1.4**	**1.3**		**–33.9**	**–38.8**	

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CONSTRUCTION

Hanson Trust. More than half of the domestic capacity is already owned by foreigners.

Not all regions of the country were evenly affected. Builders in the booming Northeast had a profitable year, with cities like Boston and New York especially strong. In metropolitan Hartford the vacancy rate for commercial space was the lowest in the nation, at 13%. But in cities like Austin and Denver, developers are buckling under vacancy rates of 40% and 27% respectively.

Overall, residential construction dropped 11% from the 1986 level, to 1.6 million starts during 1987. But most of the decline came in multiple-family dwelling units, hard hit by tax reform. This year could see a further decline, to as low as 1.4 million starts.

Commercial and public works construction dropped, too, but not as fast as some had earlier expected. Construction

Yardsticks of management performance		**Profitability**					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Cement and gypsum													
USG	49/77	1	18.6%	41.3%	102.0%	8.5%	1	16.4%	7.6%	2	39.0%	33.3%	high
Texas Industries	46/25	2	10.3	def	169.7	0.1	3	14.5	–7.5	3	–6.2	P-D	low
Lone Star Industries	●/●	3	7.1	14.9	56.6	11.7	5	–0.2	–9.1		NM	276.8	NM
CalMat	●/●	4	6.8	20.0	15.9	11.4	2	16.1	54.9	1	47.8	79.5	low
Lafarge	●/●	5	def	13.3	52.1	5.4	4	4.0	20.6		NM	119.7	NM
Moore McCormack	●/PD	6	def	6.5	38.4	5.8	6	–7.8	–11.6		NM	D-P	NM
Ideal Basic Inds	●/●	7	def†	def	500.0+	def	7	–10.9	–12.7		NM	D-D	NM
Medians			**6.8**	**13.3**	**56.6**	**5.8**		**4.0**	**–7.5**		**NM**	**79.5**	
Lumber													
Willamette Inds	35/28	1	10.6%	20.9%	50.5%	8.0%	5	5.3%	18.6%	1	45.6%	76.5%	high
Potlatch	26/17	2	7.2	18.3	58.4	8.4	7	3.0	2.3	5	16.1	94.2	low
Georgia-Pacific	67/73	3	6.4	16.9	40.6	5.3	2	6.3	16.0	4	20.0	76.9	average
Weyerhaeuser	45/48	4	6.1	13.0	41.6	6.2	4	5.6	22.4	6	5.7	81.1	low
Boise Cascade	25/25	5	4.6	10.1	61.8	4.2	6	5.2	2.2	3	20.0	80.3	very low
Louisiana-Pacific	85/89	6	3.8	11.7	55.7	6.1	1	9.4	27.1	2	20.8‡‡	105.3	average
Champion Intl	24/21	7	3.8	14.0	64.2	8.1	3	5.7	–0.2		NM	119.3	NM
Medians			**6.1**	**14.0**	**55.7**	**6.2**		**5.6**	**16.0**		**20.0**	**81.1**	
Other materials													
Philips Industries	81/81	1	22.7%	21.9%	19.0%	6.1%	3	19.5%	15.8%	4	26.3%	21.0%	very high
Tyco Laboratories	66/51	2	18.9	13.7	147.6	2.6	5	14.3	20.8	10	10.4	–26.4	high
USG	51/23	3	18.6	41.3	102.0	8.5	4	16.4	7.6	2	39.0	33.3	high
Masco	87/●	4	18.1	20.7	83.4	12.7	6	10.1	46.8	9	14.0	26.2	high
Carlisle Cos	29/49	5	15.7	10.3	185.3	3.6	15	4.9	14.6	20	–7.5	18.5	average
Bairnco	71/81	6	15.6	14.5	42.0	4.5	2	25.5	7.8	6	17.8	30.7	high
Vulcan Materials	57/87	7	14.9	20.4	11.9	10.1	13	6.1	7.3	12	6.6	27.0	low
PPG Industries	37/40	8	14.7	21.5	45.7	7.0	8	7.8	10.4	7	15.4	39.6	high
Stanadyne	51/●	9	14.5	13.6	9.6	5.6	14	5.4	6.3	13	5.5	8.5	very low
GAF	49/22	10	14.1	16.6	69.5	12.5	21	3.2	8.6		NM	38.9	NM
Emhart	25/52	11	13.2	14.1	59.7	4.2	22	3.1	19.0		NM	D-P	NM
Nortek	81/68	12	12.6	8.5	228.4	1.6	1	31.3	50.4	11	7.1	–36.6	low
Armstrong World Inds	74/75	13	12.4	17.8	7.1	6.3	10	7.6	22.0	3	34.5	26.1	high
Temple-Inland	22/37	14	11.5††	14.4	33.1	8.7	20	3.5	26.6	8	14.2‡‡	79.9	low
Tyler	20/39	15	10.7	6.7	122.4	1.1	19	3.5	11.7	18	–5.5	–1.4	very low
Insilco	32/ 5	16	10.6	10.4	44.5	4.9	17	3.8	–4.2	15	2.3	21.2	very low
Harsco	34/42	17	10.6	13.0	12.0	5.5	23	2.6	–3.3	14	2.5	29.8	very low
American Standard	27/36	18	10.5	14.6	35.9	3.6	11	6.8	4.9	16	–3.1	38.3	very low
Jim Walter	NA/NA	19	10.3	14.7	66.6	7.0	16	3.9	2.8	1	72.4	10.2	very high
Coleman	29/28	20	10.3	10.4	45.4	3.1	9	7.6	20.3	19	–6.6	14.2	low
Owens-Corning	53/66	21	9.5	NE	NE	6.4	7	9.7	–17.2	17	–3.2	234.2	very low
CertainTeed	●/●	22	8.1	11.9	17.2	5.3	12	6.3	2.5	5	20.9‡‡	4.7	very high
Crane	82/85	23	3.2	28.0	61.5	3.7	26	–4.2	8.4		NM	122.7	NM
Manville	72/71	24	def	13.0	36.1	6.8	24	–1.2	7.0		NM	88.0	NM
Koppers	58/69	25	def	14.5	22.5	4.8	27	–5.7	3.3		NM	D-P	NM
HH Robertson	81/●	26	def	def	54.2	def	25	–2.1	–5.4		NM	D-D	NM
York International	●/●		NA	NA	29.3	2.7	18	3.7	31.9		NA	NA	NA
Medians			**11.9**	**13.9**	**44.5**	**5.3**		**5.4**	**8.4**		**4.0**	**26.6**	
Industry medians			**10.3**	**11.1**	**45.3**	**3.7**		**4.9**	**7.2**		**–0.1**	**26.2**	
All-industry medians			**12.8**	**13.6**	**48.6**	**4.3**		**6.8**	**8.3**		**5.3**	**13.9**	

● 90% or more. **DD:** Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. †Four-year average. ‡Four-year growth. ††Three-year average. ‡‡Three-year growth. For further explanation, see page 65.

activity remained robust in Boston, New York, Washington and several other cities. Spending for new schools and hospitals also rose. Still, the real value of overall nonresidential construction dropped 5%, to a seasonally adjusted $74.9 billion, by the end of the third quarter.

An even steeper decline now looms as a result of the October stock market crash. "A lot of the projects under way today were approved as long as three years ago. So the total level of building remains high even though the new contracts have slipped substantially," says Barbara Alexander, analyst for Salomon Brothers Inc.

Even strong contractors were pinched. Turner Corp., top on our list, reported its first loss in 27 years. Morrison Knudsen Corp. set aside $70 million in reserves for losses from the sale of its real estate development division.

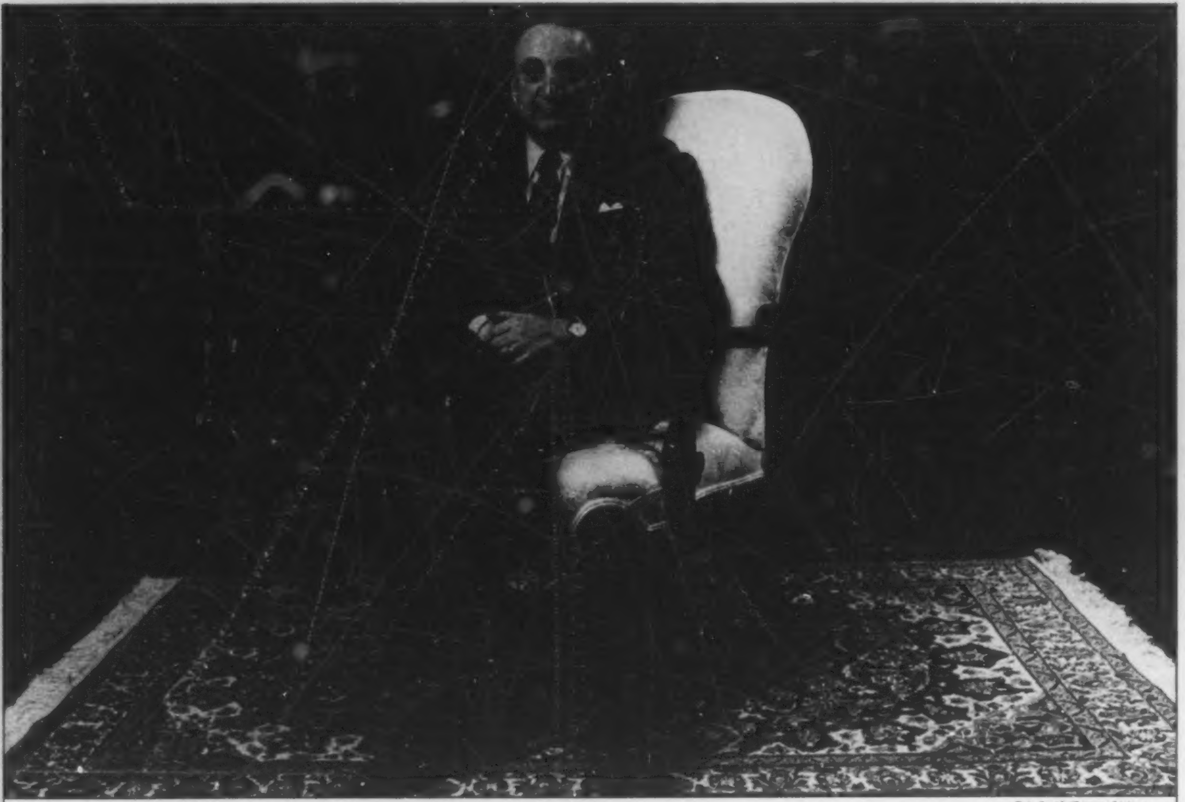
Lumber and forest products constitute about the only genuinely bright spot in the industry. All major manufacturers enjoyed the combined benefits of a restrictive tax on Canadian lumber and rising exports brought on by a weakening U.S. dollar and aggressive marketing overseas. With slightly slower housing starts this year, lumbermen can only hope for a more active repair and remodeling market. ■

Homebuilding's niche player

Up in Taylor, Mich., Masco Corp. makes just about everything that goes into a house once the walls and roof are up—from Merillat kitchen cabinets right up to Delta and Peerless bathroom faucets. As a result, Masco's own profits and growth are strongly affected by the health of the homebuilding industry. Other companies are in a similar situation, but of them all Masco has approached its business with a market-oriented philosophy that has made it a virtual Procter & Gamble of the building trades.

Under Richard Manoogian, 51, Masco has established pretax margins of over 20% and an unbroken 30-year profit record. His technique: bringing mass market economies of scale to the highly fragmented niches in residential homebuilding. In the faucet industry alone, Masco now holds some 30% of the entire U.S. market; the firm spends more on retail advertising, product development and automation than all its competitors combined.

Home furnishings is the primary focus of Masco's current efforts. In the last 18 months, Masco has spent $800 million to buy leading, top-quality furniture makers like Drexel Heritage and Lexington. Now the company is planning to capitalize on the investment by improving customer service and introducing a greater range of product choices—the same technique it has used successfully everywhere else it invested in homebuilding. Says Manoogian, "With a broader product line, the customer needs you even more."

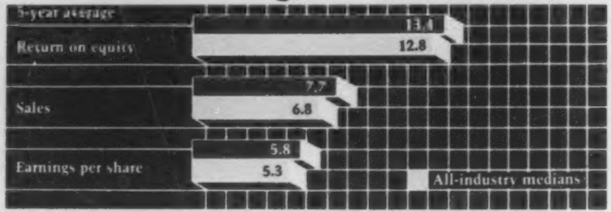


Richard Manoogian of Masco Corp.

Eric Smith/Gamma-Liaison

CONSUMER PRODUCTS

Some consumer stocks thrive whether consumers themselves suffer or not.



By Deirdre Fanning

FEW COMPANIES SEEM more dependent on consumer spending habits than the companies on this list. They are, after all, "consumer products" makers. But in fact many of these firms enjoy robust sales whether the economy is strong or weak.

The companies most vulnerable to economic downturns are home furnishings and appliance makers, and in 1987 signs appeared that they were beginning to suffer as the 5-year-long spending binge of the Reagan years started to run out of steam. Most companies in these groups enjoyed revenue and profit gains over 1986, but the rate of rise has slowed, and for some companies 1987 was a year of stagnating sales at best. Few things in life are easier to postpone buying than a new dryer or dishwasher. Without the prospect of solid economic growth in 1988 and beyond, many manufacturers in this industry have little to look forward to except sluggish sales to customers with 15-year-old machines that have worn out and need to be replaced.

By contrast, although household and personal products companies started 1987 underperforming the market, these recession-resistant stocks more than held their own at year's end. Tambrands Inc., formerly limited to a line of feminine hygiene products, moved more deeply into a 1986 investment in at-home biological test kits. The diversification cost some 50 cents per share off 1987's aftertax earnings. But Daniel Meade, an analyst at First Boston Corp., says the move should begin to pay for itself in 1990.

Gillette spent much of 1987 fighting off corporate raider Ronald O. Perelman of Revlon. Virtually forced into action by Revlon's three takeover advances, Gillette underwent a long-overdue restructuring that included shedding most of its unprofitable eye care and all of its fancy jewelry businesses, and focusing more on its core products—toiletries, small appliances and writing instruments.

The 1988 outlook for stocks in this group will depend largely on the strength of the economy and the dollar. If both continue to weaken, companies like Gillette and Avon, which have foreign operations, are likely to show better earnings—and thus stock prices—than those with largely domestic businesses. ■

Better than butter

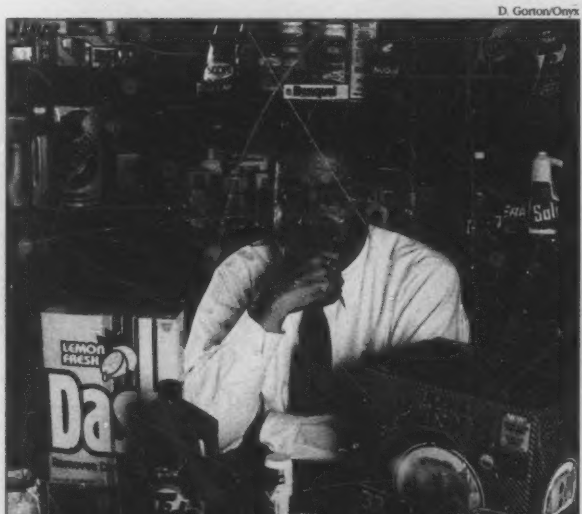
Anyone for diet french fries or low-calorie fried chicken? After years of watching its share of many markets decline in the face of increased competition, industry giant Procter & Gamble, led by longtime Chief Executive John G. Smale, is fighting back with what could be one of the big consumer products of the Nineties: a sucrose polyester fat substitute called olestra, to replace conventional oils and fats.

Olestra is a calorie- and cholesterol-free food additive to be used for both at-home and commercial cooking, and the innovation couldn't be coming along at a better time. Although Procter's sales in 1987 were up 10% from 1986 levels, Smale's tenure has been one marked by increasing competition from companies like Kimberly-Clark, Unilever and Colgate-Palmolive. Corporate restructurings and personnel reorganizations are all well and good, but the surest way to pull ahead of the pack is with an innovative new product that promises to be a long-lived staple.

That's a philosophy Procter has done well with since its founding in 1837. Down the years the firm's list of product innovations has ranged from bath soap that floats to fluoride toothpaste and synthetic detergent.

Chief Executive Smale continues to believe that product is the key to success. As a percentage of sales, Procter's research and development budget is one of the biggest in the industry, and when the company realigned its marketing department last year—the first such undertaking in a quarter century—one of the main objectives was to get product managers more strategically positioned within the organization to keep the innovations coming.

D. Gorton/Onyx



John G. Smale of Procter & Gamble

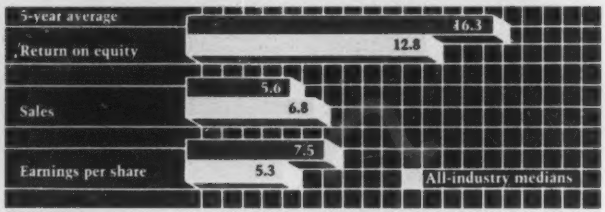
Yardsticks of management performance

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Appliances													
Emerson Radio	●/●	1	33.9%	def	93.8%	def	1	63.2%	12.6%	1	119.9%	P-D	NM
Fuqua Industries	28/47	2	25.6	17.5%	87.4	6.2%	16	3.4	–9.8	5	9.4‡	–9.3%	low
Maytag	85/78	3	23.9	28.5	33.2	8.2	6	11.5	7.5	3	24.5	42.0	high
Chicago Pacific	●/●	4	20.9†	9.7	126.0	2.4	2	35.8	105.4	11	2.0	63.9	very low
Emerson Electric	26/26	5	19.7	18.3	16.3	7.6	9	8.6	24.6	8	6.4	6.8	very high
General Electric	23/24	6	19.3	21.3	28.1	6.3	15	4.4	24.9	7	8.7	33.0	very high
Whirlpool	●/●	7	17.8	13.8	13.0	4.4	5	11.9	6.6	6	9.4	–11.0	very high
Stanley Works	37/35	8	14.5	14.7	56.7	4.9	13	7.0	17.5	4	11.6	–1.0	average
Briggs & Stratton	●/●	9	13.4	8.0	0.0	3.0	14	5.3	5.2	10	3.3	–25.8	very low
Arvin Industries	28/DP	10	13.4	16.3	48.0	3.5	3	15.9	59.3	2	30.9	4.8	very high
Pittway	40/25	11	13.3	10.3	6.1	4.6	8	8.7	8.3	12	–0.9	–4.6	very low
Standard Shares	41/25	12	13.2	17.9	18.4	4.2	10	8.2	5.8	9	4.4	58.1	very low
Roper Corp	●/●	13	10.9	26.7	57.3	2.8	12	7.2	23.7		NM	55.3	NM
Toro	●/●	14	5.6	24.0	69.6	3.3	4	12.6	48.2		NA	32.6	NM
Zenith Electronics	64/NA	15	4.3	def	67.9	def	7	9.0	27.8		NM	D-D	NM
Black & Decker	●/●	16	def	9.0	38.5	2.9	11	7.7	8.0		NM	93.9	NM
American Hoist	27/PD	17	def	def	100.0	def	18	–8.3	–16.5		NM	D-D	NM
Allegheny Intl	NA/NA	18	def	def	NA	def	17	–7.9	–40.2		NM	D-D	NM
SSMC	79/●		NA	4.5	6.2	1.7	19	–11.9	7.8		NA	NA	NA
Medians			13.4	13.8	43.2	3.3		8.2	8.3		4.4	1.9	
Home furnishings													
Rubbermaid	●/●	1	21.1%	22.6%	9.9%	8.5%	2	18.7%	26.8%	3	19.1%	19.4%	very high
Leggett & Platt	81/82	2	19.8	20.2	41.6	6.0	3	18.2	13.0	4	18.0	17.3	very high
Shaw Industries	●/●	3	19.6	19.8	68.7	4.0	1	21.3	24.0	1	44.5	57.3	high
Kimball International	82/81	4	17.0	17.1	6.5	6.5	5	11.2	20.6	5	15.0	19.6	high
West Point-Pepperell	43/56	5	10.7	10.3	40.4	3.5	9	6.8	14.0	11	–4.0	16.4	very low
Corning Glass Works	26/9	6	9.5	11.4	28.7	8.1	11	3.0	9.0	8	8.0	–8.0	low
Interco	24/35	7	8.8	9.4	13.6	4.2	13	–0.6	22.2	10	–2.4	13.9	very low
Springs Industries	42/64	8	7.9	15.2	52.0	3.4	7	8.9	9.3	12	–12.3	202.3	average
Fieldcrest Cannon	●/●	9	6.8	6.9	132.0	1.2	4	12.7	44.8	9	5.8	4.6	very low
Talley Industries	28/18	10	5.6	def	109.5	def	14	–0.8	–12.9	2	21.9‡‡	P-D	very high
Amoskeag	●/89	11	5.5	5.8	239.3	0.6	6	9.6	43.2	6	12.6	–3.5	high
Mohasco	●/●	12	5.2	5.2	18.3	1.5	10	5.5	6.4	7	8.7‡‡	–9.9	average
JP Stevens	53/56	13	3.9	10.8	31.8	3.5	15	–3.0	–8.5		NM	38.6	NM
E-II Holdings	NA/NA		NA	NA	292.5	0.1	8	8.8‡	9.3		NA	NA	NA
Premark Intl	42/●		NA	def	39.1	def	12	2.5‡	12.7		NA	P-D	NA
Medians			8.8	10.6	40.4	3.5		8.8	13.0		8.7	15.1	
Household products													
Clorox	●/●	1	20.6%	14.7%	3.7%	10.0%	1	8.2%	7.1%	1	17.4%	–13.3%	very high
Procter & Gamble	33/58	2	17.2	6.9	40.4	2.4	2	5.6	6.9	4	–1.2	–45.6	very low
Sterling Drug	41/NA	3	15.6	19.7	21.7	8.5	3	1.2	15.4	3	3.1	57.7	low
Greyhound	35/●	4	11.7	15.9	61.5	7.0	4	–12.5	–2.4	2	5.5	63.9	low
Medians			16.4	15.3	31.0	7.8		3.4	7.0		4.3	22.2	
Personal products													
Tambrands	●/●	1	29.8%	29.0%	0.0%	14.5%	1	15.2%	10.0%	3	11.5%	10.2%	very high
Bristol-Myers	22/18	2	23.8	24.2	5.6	3.9	7	6.9	10.7	2	13.0	19.4	very high
Shaklee	89/●	3	20.6	8.6	8.3	4.0	14	–3.6	23.1	8	3.7	–67.2	very low
Hillenbrand Inds	45/48	4	17.7	23.8	39.9	7.9	2	11.1	14.8	4	10.0	57.2	high
Johnson & Johnson	43/24	5	17.3	27.1	8.1	9.9	9	4.8	11.8	10	–2.5	121.5	very low
Procter & Gamble	43/57	6	17.2	6.9	40.4	2.4	8	5.6	6.9	9	–1.2	–45.6	very low
Gillette	88/●	7	16.3	13.0	198.6	1.5	11	3.5	14.7	13	–24.8	–63.1	low
Kimberly-Clark	78/70	8	15.0	19.8	29.2	6.5	4	9.2	11.9	6	6.6	46.8	high
Schering-Plough	35/28	9	14.4	24.5	12.1	11.4	10	4.7	15.3	7	4.8	46.4	high
Colgate-Palmolive	74/56	10	13.0	4.7	67.0	0.8	13	–1.4	11.2	12	–7.5	–62.4	very low
Grow Group	26/34	11	12.3	def	240.4	def	6	8.7	25.5	5	7.5	P-D	average
Avon Products	67/66	12	11.7	22.8	146.6	5.0	12	–0.1	13.4		NM	D-P	NM
Scott Paper	68/60	13	11.1	15.5	90.5	5.5	5	8.9	22.3	1	17.5	17.9	average
Alberto-Culver	49/54	14	7.4	15.3	31.1	3.5	3	9.9	0.0	11	–5.8	88.2	very low
Medians			15.7	17.6	35.5	4.5		6.2	12.7		4.3	18.6	
Industry medians			13.4	14.7	39.5	3.9		7.7	12.6		5.8	16.4	
All-industry medians			12.8	13.6	48.6	4.3		6.8	8.3		5.3	13.9	

● 90% or more. **DD:** Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. †Four-year average. ‡Four-year growth. ††Three-year average. ‡‡Three-year growth. For further explanation, see page 65.

ELECTRICAL EQUIPMENT

A boom year it wasn't, and tougher times are still to come.



By Jill Andresky

GLITZY, THEY'RE NOT. But electrical equipment manufacturers have once again logged impressive results, outperforming all-industry profit margins for the eighth straight year. More than that, the achievement comes during a stagnant year for the construction and utility industries, which normally drive demand for generators and other electrical equipment.

What fueled the fire? Some of the most aggressive cost-cutting measures in U.S. business and a continued trend toward faster-growth lines such as electronics.

Still, 1987 scarcely constitutes a boom year. Sales were up by just 4.6%—far below 1984's peak 11.7% increase.

Along the way, industry leaders have continued to shift assets to their strongest lines. General Electric made plans to trade its sickly consumer electronics operation for a division of Thomson, S.A. that would bolster its medical equipment line. Emerson Electric, whose margins dropped from 8.3% to 7.6% after a recent acquisition, targeted $450 million worth of weak divisions for divestiture.

After a two-year restructuring that raised margins from 5.9% to 6.9%, Westinghouse has geared up one of the industry's largest research efforts: studying the use of superconductors in electric power generation.

Meanwhile, smaller rivals National Service Industries and Hubbell, both with sizable cash chests, readied themselves to make niche acquisitions. Managements wary of paying too much for them will wait for the next cyclical slump to knock prices down.

Hard times are coming. During 1987 companies found business in exports, replacement orders and construction projects begun before tax reform. But by midyear 1988 much of this demand will have dried up, leaving perennial laggards General Signal and Cooper Industries particularly vulnerable. Expect companies like General Electric and Emerson Electric, with diversified product lines and strong export bases, to weather the storms best. ■

Straw hat in winter man

Fred Dusto of Hubbell, Inc.
Claudio Edinger/Gamma-Liaison

Most managers say it's diversify or die in this no-growth industry. But Fred Dusto, 59, chief executive of Hubbell, Inc., just laughs. The $600 million Connecticut firm that Dusto has run since 1983 has consistently produced better profit margins than the rest of the industry—with little debt and no diversification.

Last month Dusto announced he was taking early retirement. It is thus now a fitting time to give him credit for Hubbell's accomplishments. When times were good, he introduced new specialty products, kept a tight fist on costs and built up cash. During downturns, he shopped for bargain-basement acquisitions.

Last year Dusto proved his finesse at turning around cheap but troubled acquisitions. When he bought Bell Electrical Products from competitor Square D for $10 million, the line was squarely in the red, despite a 65% share of its market. Within nine months, Dusto was earning 9% profit margins, after cutting production costs and improving distribution. Says he, "Our commitment to the industry is important for our distributors, our end-users and our own future."

Yardsticks of management performance		**Profitability**					**Growth**						
		Return on equity					**Sales**			**Earnings per share**			
Company	**% in —segment— sales/profits**	**rank**	**5-year average**	**latest 12 months**	**debt as % of equity**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**earnings stability**
Emerson Electric	63/64	1	19.7%	18.3%	16.3%	7.6%	2	8.6%	24.6%	6	6.4%	6.8%	very high
General Electric	26/12	2	19.3	21.3	28.1	6.3	8	4.4	24.9	5	8.7	33.0	very high
National Service	41/41	3	18.2	16.4	4.3	5.7	1	9.2	3.4	4	8.7	6.4	very high
Hubbell	●/●	4	17.4	18.5	2.4	10.6	6	5.5	4.7	3	9.5	12.0	high
Westinghouse	76/64	5	16.5	23.5	18.3	6.9	9	3.0	–5.9	1	11.7	19.2	high
Square D	82/●	6	16.1	17.4	17.3	8.0	5	5.7	4.5	7	1.1	31.8	very low
WW Grainger	●/●	7	15.4	15.0	3.2	6.9	4	7.6	12.1	2	10.0	4.1	high
Raychem	73/83	8	12.3	16.3	3.6	8.1	3	8.5	17.5	8	–0.5	50.7	very low
General Signal	21/30	9	10.3	7.2	9.7	4.2	10	0.2	–7.0	10	–12.5	93.3	average
Cooper Industries	51/66	10	9.1	11.4	51.2	4.8	7	5.1	–3.3	9	–7.9	9.9	low
Industry medians			**16.3**	**16.9**	**13.0**	**6.9**		**5.6**	**4.6**		**7.5**	**15.6**	
All-industry medians			**12.8**	**13.6**	**48.6**	**4.3**		**6.8**	**8.3**		**5.3**	**13.9**	

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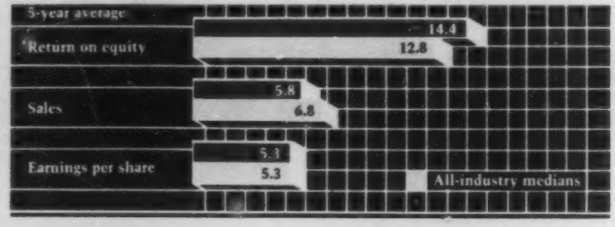
ELECTRIC UTILITIES

From engineering to cable TV, it's a brave new world for electric utilities.



By Edward F. Cone

DURING 1987 THE COMPANIES on this list saw the further unfolding of changes that are dramatically reshaping the industry. To begin with, more than a decade of construction projects in which more than $300 billion had been invested, often unwisely and wastefully, continued to wind down. In 1984 investor-owned electric utilities spent over $35 billion on generating plants, both nuclear and conventionally powered, either under construction or in advanced stages of development. Last year they spent $28.5 billion, and this year they will spend only $26.5 billion.

Meanwhile, as deregulation rippled through government at both the federal and state levels, more and more electric utilities broadened into competitive businesses they had never been involved in before, from real estate development to distribution of cable TV programming. Thus, in 1987 industry leader Duke Power set up a subsidiary selling construction

Yardsticks of management performance		**Profitability**					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Northeast													
New England Electric	●/●	1	17.7%	15.6%	119.5%	11.9%	16	3.4%	0.0%	7	9.9%	3.6%	very high
United Illuminating	●/●	2	17.6	16.4	110.6	21.5	20	2.4	0.5	12	5.6	12.0	high
Northeast Utilities	●/●	3	17.6	13.3	112.3	12.2	10	4.8	–0.4	2	16.4	–17.9	high
Commonwealth Energy	61/70	4	17.2	11.2	80.0	5.2	17	2.6	0.5	3	15.2	–24.9	average
Potomac Electric	●/●	5	16.5	18.4	82.7	15.9	4	6.3	–0.9	4	14.8	8.7	very high
Central Hudson G&E	86/●	6	15.5	12.5	84.7	14.3	23	1.2	–10.2	16	4.6	–19.4	high
Allegheny Power	●/●	7	15.4	15.3	111.9	11.2	22	1.2	7.7	15	4.7	1.2	very high
Delmarva Power & Lt	84/●	8	15.2	14.0	89.8	13.1	15	3.7	–8.9	6	9.9	–5.9	very high
Baltimore G&E	76/●	9	15.2	16.7	78.8	16.3	9	4.8	1.3	5	11.2	10.2	very high
NY State E&G	86/●	10	15.1	def	149.0	10.2	2	11.1	3.6	14	4.7	P-D	high
Niagara Mohawk Power	80/●	11	15.1	4.8	113.5	6.7	12	4.3	–2.8	19	2.9	–64.2	average
Rochester G&E	65/84	12	15.1	6.1	130.2	7.2	14	3.8	–2.7	13	4.8	–53.4	average
Consolidated Edison	81/88	13	14.7	14.2	59.0	11.8	21	1.8	–4.6	11	5.9	12.9	high
Long Island Lighting	82/●	14	14.3	4.4	88.3	10.5	11	4.7	1.9	20	1.0	–62.0	very low
Philadelphia Elec	87/●	15	14.1	12.2	103.8	16.4	8	5.1	4.1	18	3.0	–19.6	high
Orange & Rockland	73/89	16	14.0	13.5	84.7	8.9	19	2.4	–6.7	17	4.0	–0.3	very high
Pub Svc Enterprise	69/●	17	13.4	9.6	91.7	8.2	7	5.1	–5.0	9	7.8	–29.1	very low
Boston Edison	●/●	18	13.3	13.3	81.2	9.4	18	2.5	4.9	8	8.2	0.4	average
Atlantic Energy	●/●	19	12.8	13.3	97.4	10.6	6	5.7	10.7	10	6.2	–2.8	low
Pennsylvania P&L	●/●	20	12.2	12.9	105.4	14.5	1	15.2	–4.1	21	–2.2	15.3	low
Central Maine Power	●/●	21	10.2	9.0	84.0	6.5	3	8.0	9.7	22	–26.4	–17.0	low
General Public Utils	●/●	22	6.6	14.0	88.6	9.3	5	6.3	–4.1	1	54.3	39.0	high
Public Service NH	●/●	23	6.4	11.6	117.3	27.6	13	4.1	0.6		NM	–5.0	NM
Medians			**15.1**	**13.3**	**91.7**	**11.2**		**4.3**	**0.0**		**5.6**	**–5.0**	
North central													
Public Service Ind	●/●	1	19.6%	96.0%	183.4%	13.2%	9	7.3%	–2.2%	25	–20.5%	3.8%	average
UtiliCorp United	32/●	2	18.2	13.2	109.7	5.4	2	23.0	12.3	2	10.3	1.7	high
Kansas Power & Light	40/79	3	16.8	15.0	84.6	7.6	1	29.4	–4.8	6	8.7	–3.0	high
No States Power	80/●	4	16.6	15.4	75.5	12.3	12	6.2	–3.5	5	8.9	1.9	very high
Wisconsin P&L	77/●	5	16.5	14.9	71.6	10.9	16	4.6	–4.9	9	6.8	6.7	very high
Ipalco Enterprises	●/●	6	16.3	22.3	86.9	25.0	6	8.0	11.3	1	13.9	87.2	high
Wisconsin Energy	79/●	7	16.1	15.1	77.0	12.1	19	3.9	–3.6	3	10.0	3.7	very high
Illinois Power	69/●	8	16.1	16.3	96.4	26.3	24	3.5	2.3	11	6.3	7.1	average
Union Electric	●/NA	8	16.1	16.4	95.4	19.1	3	9.8	8.1	4	8.9	12.3	high
Iowa-Illinois G&E	52/87	9	16.0	15.0	87.7	12.5	13	5.5	–11.6	20	2.0	12.5	low
Kansas City P&L	●/●	10	15.6	9.4	111.9	13.5	10	7.0	5.9	19	2.2	–23.7	very low
Commonwealth Edison	●/●	11	15.6	15.5	91.2	19.5	8	7.5	6.5	7	7.9	4.7	high
Wisconsin Public Svc	69/●	12	15.5	14.0	52.6	9.0	23	3.5	–4.0	8	7.9	0.5	high
Centerior Energy	●/●	13	15.5	14.0	104.8	21.0	14	5.5	5.8	14	5.0	3.0	average
Cincinnati G&E	70/●	14	15.0	20.0	98.3	14.7	15	4.8	–1.5	10	6.8	11.4	average

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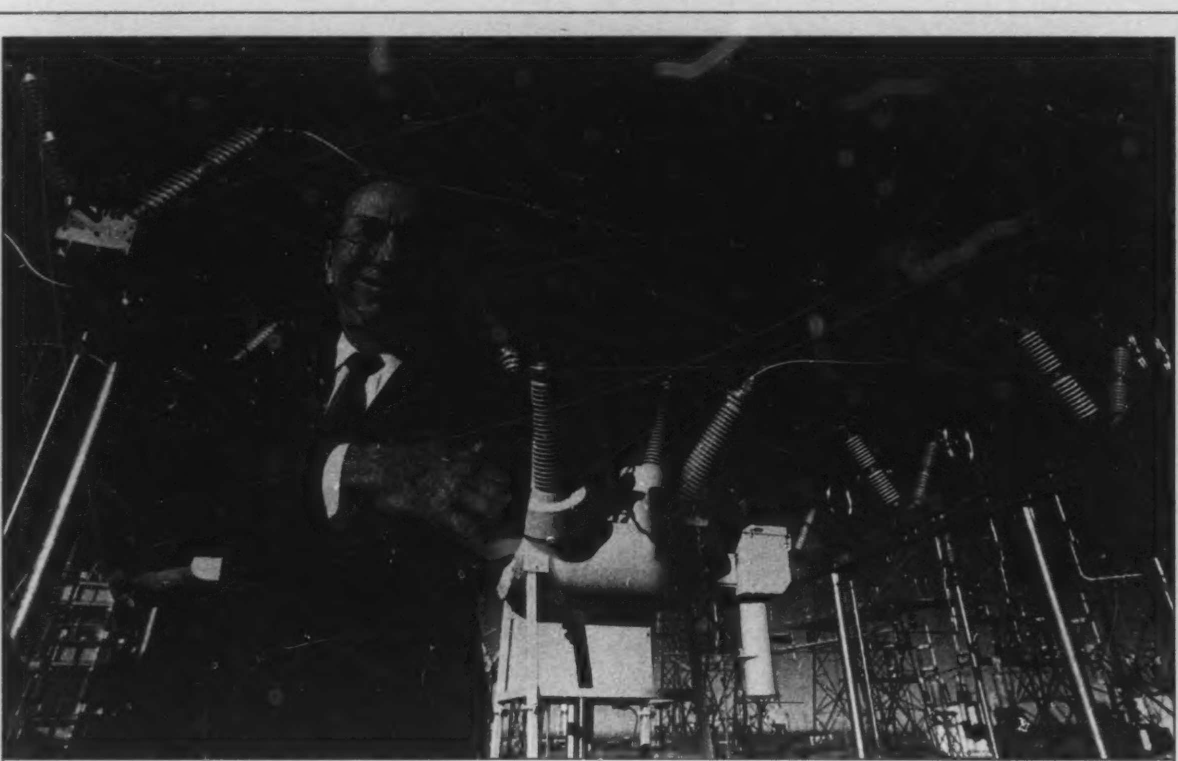
and design engineering services for power plants. Similarly, Dominion Resources Inc. of Virginia entered into a joint venture for a hydroelectric project in Louisiana, half a continent away from its regulated service area. Central & Southwest Corp. is factoring customers' bills sent out by affiliates and nonaffiliates.

But uncertainty about future demand continues to cloud the outlook. While kilowatt-hour sales in the commercial and residential market segments should grow a modest 2% to 2.5% in 1988, industrial sales might slacken with the weakening of the economy. There is already excess capacity in most regions with new plants becoming operational. Public Service Co. of Indiana, for instance, now has an abundance of power.

Continuing fallout from misguided nuclear projects of years past also still plagues some companies. Public Service of New Hampshire, saddled with a 35.6% share of the inoperative Seabrook nuclear plant, threatened to become the first

Electric Disco



Jerry Geist of Public Service Co. of New Mexico

Jeffrey Muir Hamilton/Picture Group

Jerry Geist, chairman of Public Service Co. of New Mexico, heads a utility with myriad problems. The local economy he serves, based on coal, uranium and other commodities, has declined. The state's stringent environmental laws raise power costs. Geist, 53, must find a way to remain competitive on price, the industry's situation in microcosm.

Now Geist has proposed a bold plan, currently under review with the state Public Service Commission, which could herald a new era for electric utilities. What he plans to do is split his company in two.

Under Geist's strategy, PNM would become a wholesale producer of power called a generating company, or Genco, and a distribution company, or Disco, which would serve PNM's customer base. The Genco will consist of power plants and transmission lines. Its primary customer will be the Disco, after which it is free to shop its excess capacity around to the highest bidder, wherever that bidder may be located.

"The idea behind the split is to recognize that the vertically integrated electric utility business is changing," says Geist. "Distributing to retail customers is a different business from producing huge amounts of power."

Disco would be initially spun off to shareholders as a publicly traded master limited partnership, with yields similar to a traditional electric utility. Genco would be its sole supplier of power for five to seven years, after which Disco would be free to shop around for cheaper power if it could find it.

Approval for the Geist plan seems likely by spring, and the arrangement would be fully operational by the end of the year. Other utilities are watching the situation in New Mexico with interest. If PNM goes Disco, watch the fever spread.

investor-owned utility since the Depression to file for bankruptcy. Long Island Lighting's Shoreham nuclear plant, which proved viable in testing, sits unused and inoperative, awaiting regulatory approval of an emergency evacuation plan in case of accident. The plant may or may not open in 1988. Lilco is also the target of a hostile takeover effort from a group determined to keep Shoreham closed.

Whatever happens to the economy in 1988, look for utility stocks to continue to follow interest rates. But don't expect them to remain bond substitutes forever. In the years ahead, as utilities become more like industrial companies, their stocks should behave accordingly, with market values reflecting earnings prospects more than just debt load and the regulatory environment in which the companies operate. ■

Yardsticks of management performance		**Profitability**					**Growth**						
		Return on equity					**Sales**			**Earnings per share**			
Company	**% in —segment— sales/profits**	**rank**	**5-year average**	**latest 12 months**	**debt as % of equity**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**earnings stability**
Ohio Edison	●/●	15	14.5%	15.3%	107.8%	24.8%	11	6.6%	1.4%	13	5.0%	6.6%	high
Iowa Resources	●/●	16	14.1	12.8	141.3	13.0	27	–0.6	3.4	18	2.3	–9.8	low
CILCorp	63/82	17	13.8	14.7	84.9	10.0	25	1.6	–4.7	16	3.7	5.8	high
Central Ill Pub Svc	81/●	18	13.3	11.4	75.7	11.7	18	3.9	–6.7	21	1.9	–11.7	very low
Detroit Edison	●/●	19	13.1	17.7	125.1	19.5	7	7.6	–0.2	12	6.1	26.0	high
DPL	73/●	20	12.7	16.8	122.4	14.0	17	4.2	–2.7	23	–6.1	98.8	very low
Duquesne Light	●/●	21	12.4	9.1	121.8	14.8	22	3.7	3.5	22	0.2	–25.0	very low
Kansas Gas & Elec	●/●	22	12.4	9.4	120.2	15.7	5	8.4	4.7	24	–14.5	37.7	average
American Electric	●/●	23	12.1	14.1	133.7	11.6	21	3.8	0.4	17	3.7	15.9	average
Midwest Energy	37/84	24	12.0	12.2	133.3	5.8	4	9.4	–0.9	15	4.2	–10.4	low
No Indiana Pub Svc	54/●	25	6.1	4.7	113.5	4.9	26	1.5	–16.7		NM	D-P	NM
CMS Energy	57/75	26	2.8	6.9	172.5	4.7	20	3.8	–9.8		NM	D-P	NM
Medians			**15.5**	**14.9**	**104.8**	**13.0**		**5.5**	**–0.9**		**5.0**	**5.8**	
Southeast													
Southern Company	●/●	1	16.1%	14.8%	125.5%	12.8%	2	10.4%	2.3%	1	11.9%	–1.3%	very high
Florida Progress	82/NA	2	14.9	16.3	81.6	10.1	5	8.5	0.9	2	10.5	1.1	high
Scana	73/●	3	14.3	16.0	98.0	11.9	6	8.3	2.4	8	5.7	14.0	average
TECO Energy	●/●	4	14.3	15.3	82.6	12.1	3	8.7	7.2	7	5.8	16.9	average
Duke Power	●/●	5	14.1	14.5	71.5	13.7	1	11.4	11.4	9	5.3	9.8	high
Carolina Power & Lt	●/●	6	14.1	13.6	96.2	17.1	4	8.6	1.9	6	6.0	–1.3	very high
FPL Group	75/NA	7	13.8	13.2	112.3	9.1	7	8.1	4.3	4	7.1	6.3	very high
Louisville G&E	71/●	8	13.0	13.0	82.7	11.9	9	6.1	–3.6	5	6.7	6.0	average
Kentucky Utilities	●/●	9	12.9	13.1	72.5	12.4	10	4.5	1.9	10	4.2	9.0	average
Dominion Resources	●/NA	10	12.3	15.4	124.6	13.3	8	6.4	11.6	3	8.3	14.1	very high
Medians			**14.1**	**14.6**	**89.5**	**12.3**		**8.4**	**2.3**		**6.4**	**7.6**	
South central													
Southwestern Pub Svc	●/●	1	20.5%	14.7%	86.2%	12.5%	1	9.6%	–4.5%	3	8.3%	–20.7%	very high
Central & South West	●/●	2	16.3	15.8	92.8	15.4	6	4.5	–7.8	2	8.4	5.6	very high
Texas Utilities	●/●	3	15.8	14.9	100.3	16.8	2	8.0	2.5	4	4.7	7.6	very high
Oklahoma G&E	●/●	4	14.4	12.5	89.3	10.6	4	5.8	–0.4	5	3.1	–4.1	low
Houston Industries	84/NA	5	13.9	14.3	96.3	12.5	7	2.6	–2.2	1	11.7	2.4	average
Gulf States Utils	●/NA	6	13.3	8.5	113.0	15.1	3	6.1	–6.6	7	–3.2	–27.0	low
Middle South Utils	●/NA	7	12.9	10.1	131.6	12.7	5	4.5	0.0	6	–2.3	15.0	very low
Medians			**14.4**	**14.3**	**96.3**	**12.7**		**5.8**	**–2.2**		**4.7**	**2.4**	
Western													
San Diego G&E	82/●	1	17.3%	13.7%	88.2%	10.1%	6	7.0%	6.1%	3	6.4%	-16.7%	high
So Calif Edison	●/●	2	16.4	13.4	80.0	12.9	8	5.9	2.6	4	6.4	–10.5	high
PacifiCorp	50/62	3	15.8	14.9	101.9	12.5	3	10.5	7.7	5	3.5	12.8	low
Pacific G&E	67/83	4	15.1	7.9	91.2	9.4	9	5.8	–8.5	2	7.5	–43.4	average
Portland General	●/●	5	15.0	9.8	112.9	11.1	5	7.5	–5.3	8	–3.5	–39.3	very low
Pinnacle West	●/●	6	14.4	12.3	114.6	20.1	10	5.8	4.0	6	0.2	–4.8	very low
Public Service NM	62/85	7	13.2	10.0	73.4	17.2	1	16.9	2.4	9	–3.7	–19.4	average
Montana Power	53/63	8	13.2	7.2	72.5	8.8	7	6.1	1.2	10	–4.9	–55.5	very low
Public Service Colo	63/82	9	12.5	17.8	86.4	9.4	11	4.3	–1.5	7	0.0	80.1	very low
Puget Sound P&L	●/●	10	11.6	10.4	113.8	13.2	2	13.1	–4.1	12	–8.3	–17.6	average
Utah Power & Light	●/●	11	11.3	9.0	121.8	10.4	4	8.8	–1.7	11	–6.6	–24.8	low
Hawaiian Electric	●/86	12	10.7	12.0	99.8	7.8	12	–2.9	1.8	1	10.8	2.3	average
Medians			**13.8**	**11.2**	**95.5**	**10.7**		**6.5**	**1.5**		**0.1**	**–17.1**	
Industry medians			**14.4**	**13.6**	**96.4**	**12.3**		**5.8**	**0.4**		**5.3**	**1.9**	
All-industry medians			**12.8**	**13.6**	**48.6**	**4.3**		**6.8**	**8.3**		**5.3**	**13.9**	

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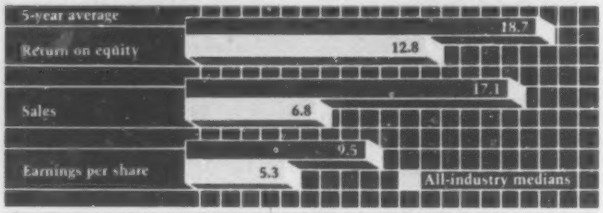
FINANCIAL SERVICES

The bull market was great while it lasted, but what if the party's over?



By Matthew Schifrin

FOR MUCH OF THE 1980s the brokerage and investment banking business was the place to be. Black Monday changed all that. Pretax profits for brokerage firms this year should total no more than $3.7 billion, down 33% from last year. In 1988 the situation could get even worse, as hard-pressed companies decide, in the words of one PaineWebber official, "what businesses they really want to be in." The capital market supermarket craze is out, and companies are once again returning to their core businesses.

Among those already rethinking their futures are Salomon Brothers, First Boston, PaineWebber, Kidder, Peabody, Morgan Stanley and Goldman, Sachs. Salomon is out of municipal bonds and commercial paper and is sticking to its stronghold in fixed-income trading. PaineWebber sold its commercial paper division to Citicorp and some $300 million worth of its own equity to a Japanese insurer, Yasuda. So far eight major firms, including Goldman, Sachs and Shearson Lehman, are planning about 12,000 layoffs. About half of the bloodshed will be at E.F. Hutton, which was bought by Shearson for some $1 billion.

Firms, in short, are now paying for their heavy (not to say wild) spending in pursuit of growth. Now, with margins thin in businesses like the trading of mortgage-backed securities and commercial paper, mistakes can be disastrous. Hundreds of millions of dollars in trading losses were reported by firms such as Salomon, First Boston and Merrill Lynch.

Trouble for the brokerage and investment banking business is, of course, good news for commercial bankers, who have

		Profitability					**Growth**						
		Return on equity					**Sales**			**Earnings per share**			
Company	**% in —segment— sales/profits**	**rank**	**5-year average**	**latest 12 months**	**debt as % of equity**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**earnings stability**
Financial companies													
Student Loan	●/●	1	38.9%	35.7%	500.0+%	11.1%	6	16.3%	10.3%	3	39.6%	31.8%	very high
American Continental	38/29	2	37.7	21.4	500.0+	3.0	4	27.6	–10.1	1	71.4	–2.5	high
Southmark	73/77	3	23.8	11.8	148.7	10.5	1	63.7	42.9	2	44.5	0.0	high
H&R Block	56/79	4	23.0	22.6	1.6	10.5	5	17.8	14.0	6	10.0	20.1	very high
Equifax	●/●	5	22.5	24.4	17.2	4.0	9	9.4	4.5	7	9.8	6.0	average
American Express	●/●	6	18.7	18.3	171.3	4.2	3	35.4	10.1	5	12.2	–16.2	average
Household Intl	53/58	7	13.5	22.0	456.4	8.2	13	–18.9	–16.0	4	16.6	47.6	high
Integrated Resources	33/54	8	11.6	10.8	157.5	5.0	2	40.5	36.3		NM	500.0+	NM
Gulf & Western	45/52	9	7.5	15.4	65.3	6.9	12	–14.5	22.8		NM	38.2	NM
Cigna	38/44	10	4.6	16.0	7.4	4.7	8	10.1	0.6		NM	D-P	NM
Commercial Credit	●/●	11	3.8	2.0	194.9	2.3	10	4.4	–0.4		NM	5.9	NM
Fedl Natl Mortgage	●/●	12	1.5	13.8	500.0+	2.4	7	12.2	–6.5		NM	43.3	NM
Beneficial Corp	86/NA	13	0.6	def	356.5	def	11	-9.4	–44.6		NM	D-D	NM
Medians			**13.5**	**16.0**	**171.3**	**4.7**		**12.2**	**4.5**		**9.8**	**20.1**	
Brokerage houses													
First Boston	●/●	1	25.6%	15.3%	38.6%	4.9%	5	28.4%	11.2%	2	13.6%	2.2%	average
Shearson Lehman Bros	●/●	2	23.6†	NA	169.0	5.6	2	36.1‡	21.5	1	22.3‡	NA	average
AG Edwards	●/●	3	21.8	19.7	0.0	9.5	7	17.4	15.0	3	10.0	–3.1	average
Salomon	●/78	4	19.7	8.6	146.9	4.6	1	46.3	–4.7	4	8.6	–48.4	low
PaineWebber Group	●/●	5	19.3	12.5	71.4	3.4	6	18.1	4.9	5	3.9	6.0	very low
Merrill Lynch	85/89	6	14.9	20.3	159.6	5.4	9	16.5	21.8	6	0.6	68.1	very low
EF Hutton Group	●/●	7	9.6	def	62.6	def	8	17.1	–1.8		NM	P-D	NM
Bear Stearns Cos	●/●		NA	18.6	39.7	8.0	4	28.4	15.9		NA	–27.9	NA
Morgan Stanley	●/●		NA	32.0	39.9	8.4	3	32.8	28.4		NA	30.0	NA
Medians			**19.7**	**17.0**	**62.6**	**5.4**		**28.4**	**15.0**		**8.6**	**–0.5**	
Commodity traders													
Universal Leaf	32/9	1	18.8%	19.4%	27.7%	2.7%	2	–0.3%	68.6%	2	9.5%	31.1%	very high
Kay	●/●	2	14.5	39.3	30.3	1.8	1	4.8	–24.1	1	49.1‡	–31.4	high
Commercial Metals	54/26	3	8.5	6.9	23.4	1.2	3	–5.3	–1.4	3	3.6	–28.8	low
Medians			**14.5**	**19.4**	**27.7**	**1.8**		**–0.3**	**–1.4**		**9.5**	**–28.8**	
Industry medians			**18.7**	**17.2**	**71.4**	**4.7**		**17.1**	**10.1**		**9.5**	**5.9**	
All-industry medians			**12.8**	**13.6**	**48.6**	**4.3**		**6.8**	**8.3**		**5.3**	**13.9**	

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been pressing strongly for permission to enter those fields. The 1934 Glass-Steagall Act prevents banks from engaging in securities underwriting, but in 1987 support began to build in Washington for repeal, or at least substantial easing, of the limitations. Senate Banking Chairman William Proxmire supports such a move, as does Ronald Reagan's new Federal Reserve chairman, Alan Greenspan. Some changes seem likely before the end of 1988.

How did the companies themselves do in this volatile year? Student Loan Marketing Association hung on to its top spot in profitability for the fifth consecutive year. The government-subsidized corporation, which buys insured student loans from lenders, benefited from rising tuition costs that pushed more Americans than ever into the market as borrowers. During 1987 Sallie Mae moved beyond its charter as a packager of loans to fund home equity loans. It also initiates credit directly to borrowers through personal loans. That means higher operating costs ahead, as well as potentially narrower margins, if riskier credits push up default rates.

Right behind Student Loan came American Continental and Southmark Corp., two multibillion-dollar Sunbelt firms that specialize in real estate deals and sell insurance. Each also owns a thrift, one formerly troubled and one undergoing an examination of its risky investments. Thanks to close ties to Drexel Burnham Lambert, as financier and steady supplier of junk bond investments, these firms have the best five-year average earnings growth among financial companies. With the future of junk bond financing now clouded by the upheavals on Wall Street, next year could be a different story for these firms. ■

Whirlwind Weill

Ira Block

Commercial's Weill

Ever since they emerged as sources of credit for customers that traditional banks didn't want to touch, finance companies have been the very soul of stodginess. The basic business: Borrow cheap to lend at huge spreads in hopes of offsetting the inevitably high default rates.

Into this stuck-in-a-rut business has now come Sanford (Sandy) Weill, late of Shearson American Express, bringing with him a whirlwind of innovative thinking that has roused the industry as never before.

Over the last 20 years most finance companies have been acquired by banks, insurers or other financial outfits. But Weill's Baltimore-based Commercial Credit Co., which operates 410 mostly small-town offices in 28 states, is bucking the trend.

Late in 1986 the company went public after being spun off from Control Data Corp., and in the year that followed it has begun to make itself into a mini financial conglomerate much like Weill's old employer, American Express.

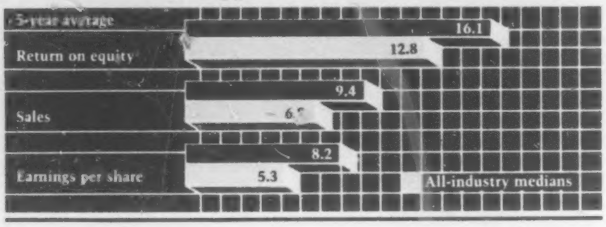
Thanks to Weill, Commercial Credit has shed all of its old and unprofitable commercial finance businesses and is concentrating on more lucrative consumer financial services. Besides personal loans, Weill's 1,500 salespeople now offer an array of products including insurance, second mortgages and certificates of deposit.

Weill hopes to attract the largely neglected 35 million households with annual incomes of $20,000 to $40,000—middle America. To spur his sales force, Weill has introduced Wall Street-type bonuses for top producers.

Weill has also strengthened Commercial Credit's capitalization by setting up a 46% reserve against its $276 million in less-developed-country loans inherited from the old Commercial Credit. In 1988 expect Weill to buy a brokerage house or some other consumer financial company. Commercial Credit has already looked at E.F. Hutton. Says Weill as he looks up from his Quotron: "We can afford to spend a billion dollars or even more if the right deal comes along."

FOOD DISTRIBUTORS

They're unloved in booms, but watch what happens in a recession.



By Ralph King Jr.

MERCHANDISE RETAILING STOCKS are in the dumps these days, but food retailers? Food Lion Inc. is up 75% on the year, Bruno's is up 31%, Giant Food up 15%, Albertson's up 11%. Over the past few years of low inflation, grocers have been forced to cut costs and raise productivity. Result: Industry operating margins have risen a phenomenal 67% since 1980, to 1.17% of revenues.

Where are the savings coming from? Labor costs have fallen from 13% to 11% of sales since 1980, in part because unions have accepted profit-sharing at individual stores in lieu of pay raises. Technological advances such as computerized checkout scanners, which help companies monitor and control inventories, help, too. Leaders include Hannaford Brothers, Kroger Co. and Bruno's.

Yardsticks of management performance		**Profitability**					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Wholesale and supply													
Super Rite Foods	60/●	1	23.3%	11.9%	78.2%	0.7%	2	27.8%	5.2%	7	8.2%	68.1%	low
Cardinal Distribution	56/17	2	23.3	11.3	115.4	0.8	4	23.9	31.4	5	17.7	–15.2	very high
Super Valu Stores	77/77	3	22.3	16.8	84.0	1.1	9	14.5	7.9	8	8.0	18.6	average
Marriott	42/34	4	22.1	21.1	164.7	3.5	5	20.5	30.0	4	18.3	16.8	very high
Sysco	●/●	5	18.7	14.3	20.5	1.6	7	17.3	15.3	6	13.0	–0.7	very high
Wetterau	●/79	6	16.1	17.3	92.7	0.9	8	14.7	2.4	2	47.4	5.7	high
Fleming Cos	●/●	7	16.1	8.8	45.8	0.5	6	19.2	4.3	10	3.8	–23.2	very low
Super Food Services	NA/NA	8	15.8	16.3	67.7	0.8	14	6.7	7.9	3	35.4	13.5	very high
Morrison	37/22	9	14.6	14.1	12.3	3.5	12	10.1	16.9	13	–1.1	93.8	very low
Intl Multifoods	45/38	10	14.4	17.9	14.7	3.8	15	5.0	4.3	12	0.0	112.5	very low
Nash Finch	63/73	11	12.9	13.5	49.5	0.8	13	7.4	35.3	9	4.1	15.0	high
Rykoff-Sexton	●/●	12	12.4	10.4	142.7	0.9	1	30.3	0.6	11	3.1	36.6	very low
TW Services	70/43	13	11.9†	6.0	224.7	1.1	10	12.8	14.3	1	93.3‡‡	–46.9	very low
Culbro	NA/NA	14	10.4	26.0	24.2	4.0	3	24.0	–16.4	14	–1.7	11.3	very low
Farm House Foods	●/76	15	5.7	def	160.6	def	17	–15.7	4.7	15	–28.7	P-D	low
Di Giorgio	79/64	16	5.2	def	74.0	def	16	4.6	6.0		NM	P-D	NM
Staley Continental	64/33	17	4.8	6.4	44.5	1.6	11	11.6	12.9	16	–34.9	68.2	average
Medians			14.6	13.5	74.0	0.9		14.5	7.9		4.1	13.5	

● 90% or more. **DD:** Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. †Four-year average. ‡Four-year growth. ††Three-year average. ‡‡Three-year growth. For further explanation, see page 65.

Yardsticks of management performance		**Profitability**					**Growth**						
		Return on equity					**Sales**			**Earnings per share**			
Company	**% in —segment— sales/profits**	**rank**	**5-year average**	**latest 12 months**	**debt as % of equity**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**earnings stability**
Major supermarkets													
American Stores	79/NA	1	25.9%	13.7%	89.4%	1.1%	1	17.6%	1.3%	2	16.8%	0.3%	average
Lucky Stores	●/●	2	20.9	91.8	107.9	4.2	7	0.1	–1.6	4	12.6	450.8	average
Albertson's	●/●	3	20.5	18.5	28.9	2.0	4	9.0	8.5	3	12.9	15.4	very high
Winn-Dixie Stores	●/●	4	19.3	15.8	13.7	1.3	6	5.5	5.6	5	4.3	2.2	high
Stop & Shop Cos	52/49	5	17.1	8.5	81.6	0.9	2	13.4	7.2	6	–2.0	–14.3	very low
Kroger	●/●	6	12.8	14.9	70.9	0.9	3	9.7	3.7	7	–18.9	81.1	average
Great A&P Tea	●/●	7	10.0	11.9	49.8	1.0	5	7.0	32.9	1	33.5‡	51.0	very high
Medians			**19.3**	**14.9**	**70.9**	**1.1**		**9.0**	**5.6**		**12.6**	**15.4**	
Regional supermarkets													
Mayfair Super Markets	●/●	1	44.6%	47.7%	120.8%	2.0%	18	6.7%	13.1%	1	49.6%	43.7%	high
Bruno's	●/●	2	30.3	17.9	6.2	2.8	4	16.3	13.0	6	23.1	10.3	very high
Big Bear	78/72	3	29.8	17.2	33.4	1.6	14	7.7	1.1	11	16.4	2.0	high
Food Lion	●/●	4	28.8	28.9	41.8	2.8	1	28.1	27.5	5	26.7	33.3	very high
Giant Food	●/●	5	23.4	16.7	74.0	1.9	10	8.0	13.2	10	19.8	–15.2	high
Super Rite Foods	40/9	6	23.3	11.9	78.2	0.7	3	27.8	5.2	14	8.2	68.1	low
Fred Meyer	34/NA	7	22.7†	14.1	55.2	1.6	7	11.8‡	6.2	2	32.7‡	3.4	high
Farm Fresh	●/NA	8	20.7	5.8	109.1	0.8	2	28.0	19.6	15	7.5	–36.7	low
Hannaford Bros	●/●	9	19.4	19.3	48.7	2.3	8	11.7	18.8	12	13.7	24.9	very high
Weis Markets	●/●	10	19.4	20.1	0.0	6.5	13	7.8	3.3	13	11.6	30.3	very high
Delchamps	●/●	11	17.9	9.5	54.8	0.8	9	10.9	14.0	20	2.8	–8.4	low
Cullum Cos	●/●	12	17.5	14.9	62.2	1.8	21	2.0	3.3	16	6.2	5.9	average
Ingles Markets	●/●	13	15.4††	15.6	122.6	1.4	6	11.9‡	12.0	9	20.4‡	–3.1	very high
Ruddick	83/35	14	13.8	12.1	49.4	1.5	5	13.7	9.9	17	5.3	7.1	average
Godfrey	●/●	15	13.3	23.5	37.6	1.4	12	8.0	7.8	3	28.7	38.4	high
Nash Finch	37/27	16	12.9	13.5	49.5	0.8	16	7.4	35.3	19	4.1	15.0	high
Arden Group	81/34	17	12.8	19.0	160.4	1.7	24	–5.2	–10.3	4	27.5	39.9	high
Marsh Supermarkets	77/NA	18	10.8	14.8	107.0	0.9	15	7.6	3.1	18	4.1	12.2	very low
Pueblo International	●/●	19	9.0	11.9	181.5	0.9	11	8.0	20.5	8	20.5	19.2	high
Seaway Food Town	●/●	20	8.5	9.9	157.8	0.6	23	–0.7	8.1	21	–13.2	96.9	average
Foodarama Supermkts	●/●	21	5.4	7.9	60.3	0.4	20	2.0	2.2	7	21.4	–28.7	low
Borman's	●/●	22	5.2	16.4	267.1	0.5	22	1.3	15.1		NM	–0.4	NM
Craig	●/●	23	5.0	18.9	375.2	0.4	26	–38.1	500.0+		NM	318.6	NM
Fisher Foods	●/●	24	def	def	131.6	def	25	–12.9	–10.2		NM	D-D	NM
Boys Markets	●/●		NA	73.6	274.3	2.1	17	6.9‡	NA		NA	NA	NA
Vons Cos	●/●		NA	NE	358.7	0.4	19	5.5‡	NA		NA	NA	NA
Medians			**16.5**	**15.3**	**76.1**	**1.4**		**7.7**	**11.0**		**12.6**	**11.2**	
Convenience stores													
Natl Convenience	●/●	1	19.1%	def	373.1%	def	2	13.5%	–4.6%	3	–16.8%	P-D	very low
Southland	●/87	2	16.0	8.6%	45.6	1.8%	3	11.8	–14.0	2	9.5	–36.4%	high
Circle K	●/●	3	15.6	15.1	149.3	2.0	1	28.5	8.9	1	24.8‡‡	–2.3	very high
Munford	71/●	4	12.5	def	79.7	def	4	6.5	–5.2	4	–18.6	P-D	average
Medians			**15.8**	**2.2**	**114.5**	**0.7**		**12.7**	**–4.9**		**–3.7**	**NM**	
Restaurant chains													
Shoney's	●/●	1	23.1%	17.9%	9.9%	6.6%	2	18.4%	17.7%	2	18.3%	7.6%	very high
McDonald's	●/●	2	22.4	22.0	88.5	11.5	6	10.9	13.6	4	14.1	14.3	very high
PepsiCo	29/23	3	19.5	27.1	96.1	5.1	11	4.6	24.8	3	14.8	29.7	average
Collins Foods Intl	●/●	4	17.3	15.3	75.9	4.2	3	15.6	–7.8	7	5.1	69.4	very low
Pillsbury	45/47	5	17.2	16.0	67.3	3.1	5	11.9	3.9	5	10.8	–2.5	very high
Wendy's Intl	●/●	6	16.8	0.4	49.7	0.2	1	19.2	–9.2		NM	–84.6	NM
Morrison	63/78	7	14.6	14.1	12.3	3.5	7	10.1	16.9	9	–1.1	93.8	very low
Jerrico	●/●	8	14.3	11.9	44.7	4.0	8	7.8	5.4	8	3.3	–8.5	average
Church's Fried	●/●	9	13.7	3.5	3.2	2.2	10	4.7	–16.0	13	–15.9	–7.4	high
TW Services	29/56	10	11.9†	6.0	224.7	1.1	4	12.8	14.3	1	93.3‡‡	–46.9	very low
Foodmaker	●/●		NA	22.1	225.0	2.3	12	3.5‡	7.5		NA	42.9	NA
General Mills	24/19		NA	34.1	45.6	4.5	9	5.0	14.0	6	7.2	25.2	NA
Medians			**17.0**	**15.6**	**58.5**	**3.8**		**10.5**	**10.5**		**7.2**	**11.0**	
Industry medians			**16.1**	**14.9**	**74.0**	**1.5**		**9.4**	**7.7**		**8.2**	**8.9**	
All-industry medians			**12.8**	**13.6**	**48.6**	**4.3**		**6.8**	**8.3**		**5.3**	**13.9**	

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FOOD DISTRIBUTORS

Getting hyper

Angelo Bruno of Bruno's

Billy Brown

The concept was intriguing: Everything for the price-conscious consumer, from fresh parsley to pajamas, on a selling floor the size of eight football fields all under one roof. Angelo Bruno had admired these one-stop shopping meccas—known as hypermarkets—in Europe. And in his quest for store formats that would attract new sales to a slow-growth business, he wondered why one had never been built in America.

The chairman of Bruno's, a highly profitable low-price supermarket chain based in Birmingham, Ala., is wondering no more. In September he signed a joint venture agreement with the nation's largest discount merchandiser, K mart, to build hypermarkets across the country. The first 220,000-square-foot store, complete with up to 50 checkout stands, will open in the Southeast this fall.

The innovation here is not one of timing; a few hypermarkets have recently opened their doors in the U.S. Rather, the creative stroke is the convergence of two talents, one from the food end and the other nonfood, both determined to push one-stop shopping to its logical extreme. "It's the first real working partnership that could go forward and multiply," says industry consultant Willard Bishop.

Most grocers have their hands full clearing 1% of sales, and few would even think of blowing it on costly experiments. So when K mart initiated discussions with the grocer in the spring, Bruno, 62, worried at first that the $1 billion (sales) family-run business might be getting in over its head with the $24 billion K mart. "But we hit it off chemically, and we both seemed flexible. We're not going to move ahead until we get the first one right," Bruno says.

Any positive effect on Bruno's earnings won't come before the mid-1990s, but that won't cramp plans to add conventional units to the 106-store chain. Long-term debt is a slight 6% of equity, and returns have consistently outpaced the industry.

Food wholesalers are another matter. Fleming's stock price is down 28% since the start of 1987, Super Valu Stores' stock is down 23%, and Wetterau's is up 1%. Why the trouble? Rapid consolidation in the industry since 1979 has brought on indigestion for these firms and others. Companies are having problems bringing costs into line at wholesale outlets they have acquired, mostly for steep multiples.

Things probably won't improve much for these wholesalers this year. Their managements appear to have no long-range strategy that could pull them out of the slump. Furthermore, their customers, smaller retailers, are finding it more difficult to compete on price with the national chains, which gain clout with food manufacturers as they expand. The top ten chains now handle 45% of the nation's grocery sales.

With slow sales growth endemic in this industry, the best grocers are continually experimenting with store format. Kroger is testing three superwarehouse stores that include large drug and nonfood sections. Hypermarkets, monster-size affairs (upward of 200,000 square feet) already widespread in Europe, are just arriving on the U.S. scene.

Also, store offerings are more sensitive than ever to consumer tastes in specific locales. Washington, D.C.-based Giant Food stocks its Giant Gourmet store shelves with $200 bottles of wine and rattlesnake meat (the latter apparently being a delicacy in the nation's capital). Vons Cos. caters to a large Hispanic population in Los Angeles with its Tianguis store, offering such products as lambs' heads and fresh tortillas.

More consumers are short on cooking time, but fast-food restaurants continue to suffer from market saturation and from new competition. With salad bars turning up in supermarkets and convenience stores, McDonald's has begun offering prepackaged salads, which has helped lift the fast-food leader's same-store sales by 7%. No such luck for Burger King and Wendy's International, whose derivative products like Burger Bundles and Big Classic haven't added any new sales. ■

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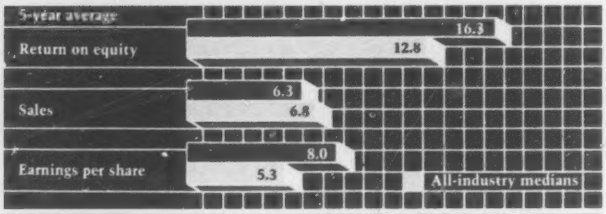
FOOD PROCESSORS

The year of the microwave.



By Janet Novack

FOR MUCH OF 1987 COMPANIES IN THIS GROUP were haunted by fears that inflation and rising commodity prices would squeeze profits. Fears grew worse last spring when long-depressed corn and wheat prices spiked.

But the market crash has dampened inflationary expectations and sent investors heading back to food for safety. While corn wheat and soybeans posted double-digit price gains in the 12 months ended Nov. 30, hog, chicken and milk prices were down. Analysts now expect that, overall, food inflation will be moderate in 1988 and that branded food packagers will post average earnings gains of 20%.

Lower tax rates account for some of the improvement. In addition, new equipment is making companies more productive. At Kellogg, the top performer on our list, production per man-hour is up 33% since 1981. Leading brands are also continuing to build and buy market share. Since 1986 Borden

Yardsticks of management performance		**Profitability**					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Food commodities													
Ralston Purina	26/13	1	25.3%	55.5%	164.0%	9.0%	7	2.6%	6.4%	1	35.8%	35.4%	high
Savannah Foods	●/●	2	23.3	11.3	52.0	1.6	4	7.6	25.6	7	–12.4	–5.9	average
Pioneer Hi-Bred Intl	87/●	3	20.0	10.6	6.1	6.4	1	14.0	–5.1	3	6.7	–26.8	low
Holly Farms	21/12	4	15.1	18.5	55.2	3.8	6	2.7	17.6	2	17.3	13.7	high
Intl Multifoods	46/45	5	14.4	17.9	14.7	3.8	5	5.0	4.3	5	0.0	112.5	very low
CPC International	39/21	6	14.2	36.1	49.4	7.0	8	1.2	14.1	6	–3.1	106.2	very low
Archer-Daniels	●/●	7	10.9	12.7	26.6	4.7	3	8.2	10.5	4	0.8	10.5	very low
Staley Continental	36/67	8	4.8	6.4	44.5	1.6	2	11.6	12.9	8	–34.9	68.2	average
DeKalb	73/55	9	1.8	5.3	47.0	4.6	10	–6.2	–13.2		NM	D-P	NM
Amfac	27/77	10	def	def	67.3	def	9	–0.4	–8.0		NM	D-D	NM
Zapata	36/PD	11	def	def	97.7	def	11	–14.9	–37.0		NM	D-D	NM
Medians			**14.2**	**11.3**	**49.4**	**3.8**		**2.7**	**6.4**		**–3.1**	**13.7**	
Meatpacking													
Tyson Foods	●/●	1	28.0%	33.2%	84.4%	3.8%	2	25.1%	18.8%	1	75.5%	34.7%	very high
Holly Farms	60/74	2	15.1	18.5	55.2	3.8	6	2.7	17.6	3	17.3	13.7	high
Smithfield Foods	●/●	3	14.2	20.2	74.9	0.7	1	28.7	13.2	2	41.0	–18.5	average
George A Hormel	●/●	4	12.2	12.3	27.7	2.0	4	5.1	15.5	4	8.3	13.0	high
United Brands	57/24	5	3.9	13.5	31.2	1.7	7	–3.8	0.9	5	3.0‡‡	11.2	very low
Thorn Apple Valley	●/●	6	2.1	def	141.2	def	5	4.8	–2.9		NM	D-D	NM
Wilson Foods	●/●	7	def	7.8	64.1	0.3	8	–9.8	–7.3		NM	D-P	NM
IBP	●/●		NA	NA	106.9	0.6	3	6.8‡	NA		NA	NA	NA
Medians			**12.2**	**13.5**	**69.5**	**1.2**		**5.0**	**13.2**		**8.3**	**13.0**	
Branded foods													
Kellogg	●/●	1	37.2%	42.6%	28.3%	10.6%	13	7.6%	11.9%	9	14.0%	26.5%	very high
Philip Morris Cos	38/17	2	26.6	30.7	93.2	7.7	2	17.0	10.4	3	17.7	25.6	very high
Ralston Purina	67/79	3	25.3	55.5	164.0	9.0	22	2.6	6.4	1	35.8	35.4	high
Dean Foods	●/●	4	24.0	18.4	19.9	2.8	6	11.6	7.4	5	15.7	–1.9	very high
HJ Heinz	●/●	5	22.1	24.6	40.4	7.3	19	3.9	9.1	11	12.6	15.7	very high
ConAgra	64/70	6	21.4	21.1	59.3	1.6	1	37.5	49.9	6	15.3	11.5	high
RJR Nabisco	37/63	7	21.3	22.5	63.6	7.8	3	13.5	–1.8	16	8.2	25.9	high
Flowers Industries	●/●	8	20.1	16.3	57.6	3.5	4	12.0	10.1	10	13.2	–7.0	very high
Sara Lee	50/45	9	19.7	19.6	39.9	2.9	11	8.0	16.6	12	11.3	16.4	very high
PepsiCo	32/38	10	19.5	27.1	96.1	5.1	17	4.6	24.8	7	14.8	29.7	average
Hershey Foods	75/83	11	18.5	19.8	34.0	6.1	8	8.5	13.7	17	8.0	15.1	very high
Curtice-Burns Foods	●/●	12	18.1	14.1	261.1	1.5	9	8.4	10.1	18	7.5	21.1	average
Kraft	89/●	13	17.9	25.1	27.7	4.4	26	0.6	23.1	2	21.5‡	23.8	very high
Quaker Oats	86/86	14	17.8	19.8	48.5	5.3	10	8.2	24.9	4	16.1	18.9	average
Wm Wrigley Jr	●/●	15	17.6	23.1	0.0	8.8	21	2.6	11.5	8	14.5	30.6	very high

● 90% or more. **DD:** Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. †Four-year average. ‡Four-year growth. ††Three-year average. ‡‡Three-year growth. For further explanation, see page 65.

Mister microwave

Until recently Austin, Minn.-based Geo. A. Hormel & Co. was best known for its labor strife and its Spam, the butt of food jokes for decades. Now $2.3-billion-a-year (revenues) Hormel is emerging as the industry's leading new product innovator. The man due the credit: the chairman and chief executive officer, Richard Knowlton.

In a year when microwave products proliferated, Hormel's stood out. The company introduced Top Shelf, a line of vacuum-packed microwave entrées that stay fresh without refrigeration for 18 months—the food-processing equivalent of putting a man on the moon. The 14-product line is in six markets and will be rolled out nationally during 1988, supported by a $20 million advertising and promotion campaign, Hormel's largest ever. Knowlton reckons the $1.69 to $3.59 entrées, including roast beef, chicken and lasagna, will have $200 million in annual sales by 1991. He may be understating it.

How did Hormel get to the market first with a shelf-stable entrée? Answers Knowlton: "We started four years ago. I swallowed hard for a company this size and spent $1.1 million for two pieces of equipment to do the research. We were betting. Strategically, we wanted to tap the microwave market, and we knew we had to be bold."

In all, Hormel launched 134 new products in the 18 months ended in October. Some are already clear winners and others are still in test markets. But none of the new crop so far has flopped and been withdrawn—an amazing feat in an industry where the costs of establishing a new product are high and the failure rates daunting. Yet Knowlton expects the next 18 months to be just as productive.

On the factory floor, Hormel has also taken the lead in automation. Says Knowlton: "We must move out of areas of our business that are labor-intensive. We must be the technological leader in the industry."

James Schnepf/Wheeler Pictures

Top Shelf
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Top Shelf
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Top Shelf
Top Shelf
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Richard Knowlton of Geo. A. Hormel

Yardsticks of management performance		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Pillsbury	55/53	16	17.2%	16.0%	67.3%	3.1%	5	11.9%	3.9%	14	10.8%	2.5%	very high
McCormick & Co	●/●	17	16.8	12.4	43.3	3.2	12	7.7	10.4	21	1.7	17.2	very low
Campbell Soup	●/●	18	15.8	16.1	21.9	5.5	7	9.7	2.6	13	11.2	10.4	very high
Universal Foods	55/NA	19	15.1	14.3	49.9	3.5	18	4.2	18.1	22	–0.6	47.9	very low
Borden	67/65	20	14.4	17.7	68.0	4.2	20	3.2	24.0	15	10.1	23.7	very high
Gerber Products	54/70	21	14.2	-7.3	53.3	2.4	14	7.0	2.0	23	–3.0	–39.6	very low
CPC International	59/78	22	14.2	36.1	49.4	7.0	25	1.2	14.1	24	–3.1	106.2	very low
American Maize	79/●	23	4.6	10.2	80.5	2.6	15	5.9	7.2		NM	500.0+	NM
IC Industries	23/●	24	4.5	12.2	82.7	4.5	24	1.6	–5.2		NM	D-P	NM
United Brands	39/81	25	3.9	13.5	31.2	1.7	27	–3.8	0.9	20	3.0‡‡	11.2	very low
Interstate Bakeries	●/●	26	def	12.1	62.0	1.6	23	2.3	6.3		NM	–26.2	NM
Castle & Cooke	●/87		NA	4.2	NA	2.2		NA	5.5		NA	–48.8	NA
General Mills	66/75		NA	34.1	45.6	4.5	16	5.0	14.0	19	7.2	25.2	NA
Medians			**17.8**	**19.0**	**49.9**	**4.3**		**7.0**	**10.2**		**10.8**	**20.0**	
Industry medians			**16.3**	**16.2**	**52.7**	**3.5**		**6.3**	**10.2**		**8.0**	**16.8**	
All-industry medians			**12.8**	**11.6**	**48.6**	**4.3**		**6.8**	**8.3**		**5.3**	**13.9**	

● 90% or more. **DD:** Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. †Four-year average. ‡Four-year growth. ††Three-year average. ‡‡Three-year growth. For further explanation, see page 65.

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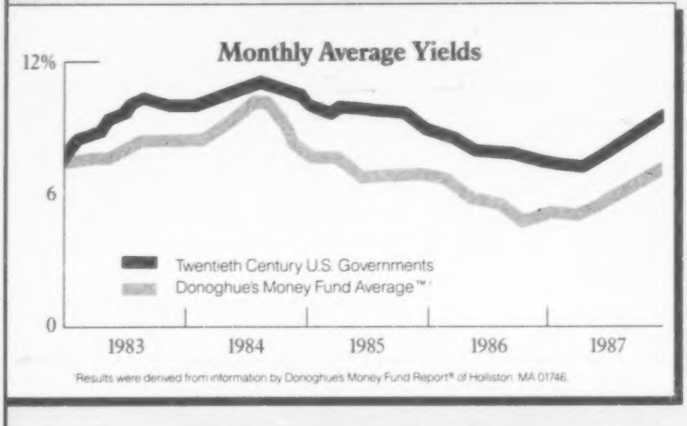

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Counting expected Christmas 1987 gifts, some 70% of American families now own microwaves. Only 42% of families have dishwashers.

has doubled its share of the pasta market to 31%.

Lately, however, cash-rich food processors have begun to throw money into potentially margin-crimping marketing battles. As the industry's unhappy granola bar experience a few years back showed, when everyone pursues the same hot idea, no one wins. "Now there's a new frozen [ice cream] bar every two minutes," remarks Thomas Kully, William Blair & Co. food analyst. "It's a $1.5 billion category, and no one makes much money on it."

Marketing wars explain why branded food packagers' margins (now 4.3%) have not widened more in recent years despite low farm prices and tax reform. But don't expect suicidal competition. Says Prudential-Bache food analyst John McMillin: "You're dealing with a consolidated industry run by rational executives with oligopolistic positions that lead to good returns."

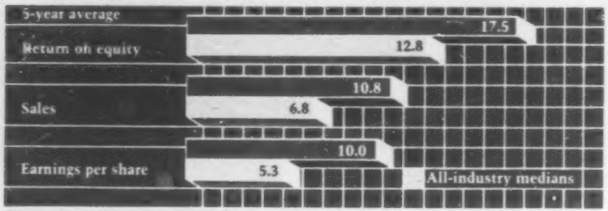
The most noteworthy new product activity in 1987 was in microwave foods. Counting expected Christmas 1987 gifts, some 70% of American families now own microwaves. Only 42% have dishwashers.

Until recently, food companies did little more to cater to the microwave devotees than print special instructions on wrappers and put standard frozen dinners in packages that could be used in the microwave. But the success of microwave popcorn changed that. "We said to ourselves, 'Gosh, we'd like to come up with the next microwave popcorn,'" says Phyllis Levy, the first executive director of Campbell Soup's new Microwave Institute.

Through the first 11 months of 1987, 58 new products or lines with the word microwave in their names hit the market, compared with 21 in all of 1986. In November Campbell began testing Souper Combo, a soup and sandwich combination specially designed for the microwave and priced at $1.99 to $2.49 each. More new products turn up on store shelves almost every week. ■

HEALTH

Diagnosis: marginitis. Rx: Cut costs. Unfortunately, the patient's still sick.



By Michael Fritz

No sector of the economy has been hit harder by tightening federal cost controls than health care, and 1987 brought more of the margin pressure that these firms have learned to live with in recent years. Pharmaceutical companies fared well; manufacturers of medical equipment did better than operators of hospitals and outpatient clinics; operators of health maintenance organizations were the hardest hit of all.

Mothballing of uneconomical operations and the graying of America did push hospital occupancies up 1% in the first eight months of 1987, the first such gain since 1983. A sliding dollar helped firms with foreign sales. Overall, 1987 was a year of tentative gains that the companies on this list hope will continue into 1988. As a group, they registered a surprising 20% return on equity versus the 13.6% all-industry median—thanks mostly to drugmakers' strong performance.

During 1987 Hospital Corp. of America unloaded 104 rural and surburban hospitals through an employee stock ownership plan, paid down $900 million in debt, halved overhead and opened nine psychiatric hospitals. Similarly, National Medical Enterprises is dumping seven nonhospital subsidiaries for a loss of $77 million and investing some of the proceeds in psychiatric and rehabilitation facilities. A shakeout among health maintenance organizations seems inevitable—the number of plans continues to grow twice as fast as enrollment in the plans. Moreover, premiums increasingly fail to cover rising operating costs.

Medical supply companies had a better year, as sales rose more than 14% over 1986 levels. One reason: increasing demand for specialty and diagnostic products like AIDS- and drug-testing kits. Expanding diagnostics sales buoyed earnings for Abbott Laboratories and Becton Dickinson. Seeking to cash in on the growing home-care market, Baxter Travenol (soon to be Baxter International) paid $550 million to acquire Caremark, its largest competitor. Baxter also signed an agreement to become a principal systemwide provider of laboratory supplies to the Voluntary Hospitals of America.

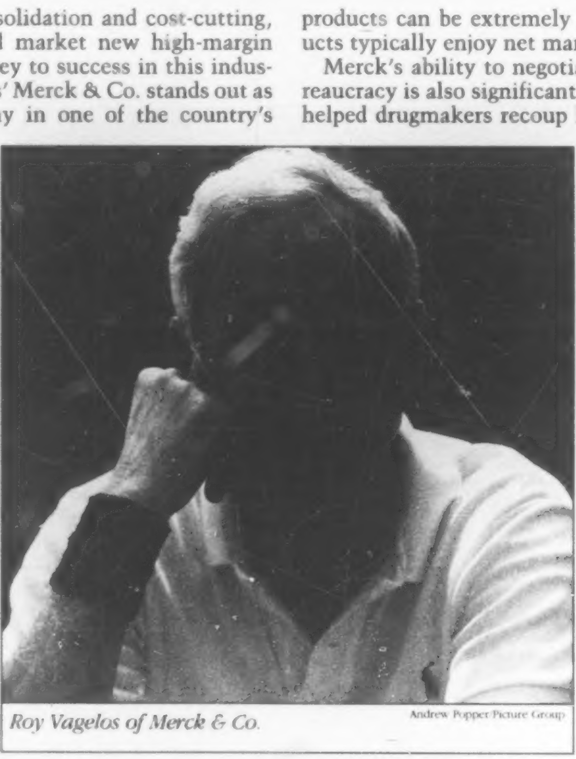
Pharmaceutical companies were by far the best performers in the industry, and currency gains from a weak dollar helped

Merck's master of the maze

In an age of continued consolidation and cost-cutting, the ability to develop and market new high-margin products consistently is the key to success in this industry. On this score, Roy Vagelos' Merck & Co. stands out as the most innovative company in one of the country's toughest businesses.

Merck's profits have risen 67% since 1985, to an estimated $902 million in 1987, thanks to a Vagelos-inspired $530-million-plus annual R&D program, the richest in the industry, and a knack for guiding products through the regulatory approval process.

In contrast to rivals like American Home Products and Marion Labs, which have sales driven by products from outside licensing agreements, six of the eight new products Merck has launched in the past two years were discovered and developed in-house. That includes such blockbusters as Vasotec, for reducing high blood pressure, and Mevacor, for lowering cholesterol. While licensed products can be extremely profitable, home-grown products typically enjoy net margins 8% to 10% higher.


Roy Vagelos of Merck & Co.
Andrew Popper/Picture Group

Merck's ability to negotiate through Washington's bureaucracy is also significant. The patent extension act has helped drugmakers recoup lost patent life as compounds move through the FDA's lengthy approval process. Neverthless, delays can consume precious lead time for building market share, resulting in the loss of millions of dollars in sales. While new drug applications typically wait more than 30 months for approval, Merck's average is less than 19 months, the best record in the industry.

The result: By keeping FDA officials closely informed of development and test results and by arming itself with data from exhaustive clinical trials, Merck won approval for Mevacor in an impressive 9½ months. Contrast that with the nearly four years it took Bristol-Myers to win 1986 approval of its antianxiety drug, BuSpar.

HEALTH

lift earnings 20% over 1986 levels on a 12% increase in sales. New drugs, needed to offset competition from generics, contributed little. One exception: Merck's Mevacor, a drug to lower cholesterol levels, is likely to generate $300 million in sales in 1988. Another is Genentech's bioengineered Activase, a blood clot dissolver for heart attack victims. It's expected to have $200 million in sales this year. ■

		Profitability					**Growth**						
		Return on equity					**Sales**			**Earnings per share**			
Company	**% in —segment— sales/profits**	**rank**	**5-year average**	**latest 12 months**	**debt as % of equity**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**earnings stability**
Drugs													
American Home Prod	60/NA	1	34.4%	35.0%	1.7%	16.6%	20	2.5%	2.5%	12	10.0%	10.9%	very high
Abbott Laboratories	54/72	2	27.8	34.0	14.6	14.3	11	9.7	14.0	4	18.1	19.5	very high
SmithKline Beckman	73/●	3	25.8	52.0	54.6	13.8	9	10.5	16.0	16	4.6	62.8	very high
Rorer Group	●/●	4	24.8	6.5	113.8	2.8	8	11.5	35.5	6	17.6	–82.0	average
Bristol-Myers	69/75	5	23.8	24.2	5.6	3.9	12	6.9	10.7	8	13.0	19.4	very high
Cardinal Distribution	64/83	6	23.3	11.3	115.4	0.8	5	23.9	31.4	5	17.7	–15.2	very high
Eli Lilly	NA/NA	7	23.0	22.5	12.6	15.7	15	5.2	12.2	11	10.4	10.8	very high
Marion Laboratories	●/●	8	22.1	41.1	0.0	17.3	3	26.7	47.3	1	46.5	129.5	very high
Merck	●/●	9	21.8	32.9	5.8	17.6	13	6.6	22.3	9	12.0	36.0	very high
Pfizer	60/NA	10	21.3	20.3	6.7	14.8	14	6.1	10.0	3	20.1	10.8	very high
Bindley Western Inds	●/●	11	20.3	11.5	119.9	0.5	6	12.4	41.9	7	16.9	–14.1	very high
Squibb	85/●	12	18.9	56.6	4.8	29.9	18	4.3	–4.9	2	25.2	201.6	high
Johnson & Johnson	25/●	13	17.3	27.1	8.1	9.9	16	4.8	11.8	20	–2.5	121.5	very low
Bergen Brunswig	NA/NA	14	17.2	8.9	109.5	0.5	1	28.8	10.1	14	8.5	–22.7	high
Upjohn	82/●	15	16.6	28.9	25.7	12.1	19	3.8	11.5	13	8.6	46.5	average
Sterling Drug	35/NA	16	15.6	19.7	21.7	8.5	21	1.2	15.4	17	3.1	57.7	low
Schering-Plough	65/72	17	14.4	24.5	12.1	11.4	17	4.7	15.3	15	4.8	46.4	high
Durr-Fillauer	57/51	18	13.5	11.0	63.6	1.2	4	26.6	8.4	10	10.5	–1.2	very high
McKesson	72/51	19	12.4	11.7	53.8	1.3	10	10.3	1.2	19	–0.2	–0.5	very low
Warner-Lambert	66/53	20	12.1	31.6	29.3	8.4	23	–1.3	10.9		NM	D-P	NM
American Cyanamid	38/52	21	10.6	18.6	31.0	6.5	22	1.1	8.9	18	1.4	100.6	very low
National Intergroup	44/14	22	def	def	62.1	def	24	–1.3	15.8		NM	D-D	NM
AH Robins	84/●	23	def††	176.4	32.0	10.4	7	12.3	8.7		NM	19.7	NM
Alco Health Services	74/NA		NA	14.1	74.2	1.0	2	27.6	34.8		NA	15.8	NA
Medians			**18.9**	**23.4**	**27.5**	**9.2**		**6.7**	**12.0**		**10.0**	**19.4**	
Medical supplies													
Abbott Laboratories	46/28	1	27.8%	34.0%	14.6%	14.3%	7	9.7%	14.0%	2	18.1%	19.5%	very high
SmithKline Beckman	27/8	2	25.8	52.0	54.6	13.8	5	10.5	16.0	8	4.6	62.8	very high
CR Bard	●/●	3	19.2	22.3	10.1	9.6	6	9.9	17.5	3	16.5	2.5	very high
Hillenbrand Inds	42/51	4	17.7	23.8	39.9	7.9	4	11.1	14.8	5	10.0	57.2	high
Johnson & Johnson	32/DP	5	17.3	27.1	8.1	9.9	9	4.8	11.8	10	–2.5	121.5	very low
Bausch & Lomb	81/84	6	16.6	16.6	32.0	10.1	8	5.2	22.1	1	35.9	12.5	very high
Baxter International	●/●	7	14.2	8.2	43.9	4.8	3	24.0	21.5	9	–1.1	–40.8	very low
Durr-Fillauer	34/44	8	13.5	11.0	63.6	1.2	2	26.6	8.4	4	10.5	–1.2	very high
Becton Dickinson	89/87	9	11.9	17.4	48.7	9.0	10	3.3	20.6	6	8.6	30.5	low
Corning Glass Works	25/29	10	9.5	11.4	28.7	8.1	11	3.0	9.0	7	8.0	–8.0	low
Henley Group	25/75		NA	def	20.6	def	1	30.7	8.8		NA	NA	NA
Medians			**16.9**	**17.4**	**32.0**	**9.0**		**9.9**	**14.8**		**9.3**	**16.0**	
Health care services													
US Healthcare	●/●	1	43.1%	21.7%	0.0%	7.6%	1	80.9% ‡	19.6%	1	158.0%‡	56.6%	high
Charter Medical	●/●	2	33.6	23.3	217.8	6.4	7	23.4	22.0	3	28.0	14.2	very high
Humana	89/●	3	27.0	20.2	122.3	6.5	9	13.8	8.9	8	–3.1	232.1	very low
Manor Care	81/82	4	26.5	22.7	170.4	8.4	3	33.1	4.5	2	30.5	10.3	very high
Maxicare Health	●/●	5	24.5†	def	238.8	def	2	68.9	157.8	4	15.5‡	P-D	very low
National Medical	●/●	6	16.9	7.1	153.0	2.3	5	27.4	–5.5	6	7.1	–25.0	low
Hospital Corp	●/●	7	15.8	8.2	143.8	3.4	8	16.8	5.4	7	6.7	–24.0	low
American Medical	●/●	8	14.5	12.3	189.8	4.1	6	23.6	8.6		NM	D-P	NM
Beverly Enterprises	●/●	9	12.3	def	180.0	def	4	31.4	9.1	5	11.0	P-D	average
Medians			**24.5**	**12.3**	**170.4**	**4.1**		**27.4**	**8.9**		**11.0**	**10.3**	
Industry medians			**17.5**	**20.0**	**36.0**	**7.7**		**10.8**	**12.0**		**10.0**	**14.2**	
All-industry medians			**12.8**	**13.6**	**48.6**	**4.3**		**6.8**	**8.3**		**5.3**	**13.9**	

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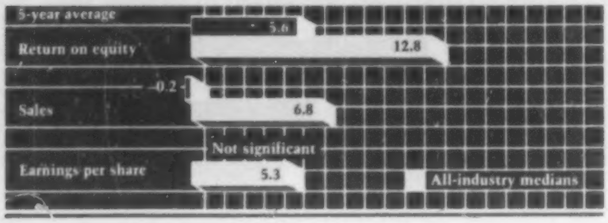
HEAVY EQUIPMENT

For some, the ships have come in. For others, it's rough sailing ahead.



By John Merwin

WHERE THE 44 COMPANIES ON THIS LIST stand this year largely depends on where they sit.

Take machine tool makers, such as Cincinnati Milacron. It sits smack in the middle of an invasion of foreign toolmakers, which have captured 52% of its traditional markets, especially less sophisticated lower-end tools.

By contrast, earth-moving equipment maker Caterpillar is sitting pretty. A sinking dollar on top of its own ferocious efforts to cut costs has helped the company stay competitive with Japanese manufacturers like Komatsu, Ltd., and that has helped third-quarter sales, both domestic and foreign, rise 23% over third-quarter 1986 levels. What's more, in spring Congress authorized $69 billion in highway funds. Add to that recent 15% increases in state and local road-building outlays, and Caterpillar's prospects are looking brighter.

In between these extremes sit companies like Cooper Industries and Deere. Cooper, which once earned nearly two-thirds of its operating profits from oil equipment, is capitalizing on a well-timed—and profitable—metamorphosis into an electrical products maker. By contrast, Deere stuck with its core business, cutting costs while it waited out the farm bust. With a little luck this year, Deere's patience may pay off. Department of Agriculture surveys show that in 1987 estimated farm net income—aided by sharply lower expenses and rising subsidies—rose for the third straight year. Long depressed land values have begun rising, and farm debt has been paid down sharply. For Deere, brighter days lie ahead.

Construction equipment makers in general had a better 1987 than expected, helped by the carryover from a last-minute shot of tax shelter money in 1986. Robust federal, state and local road-building programs make 1988 look potentially as good as 1987. "But remember, this is an election year," says Frank Manfredi, publisher of *Machinery Outlook*. "That complicates the issue for these companies. Personally, I think Congress and the President will spend quite a bit of money on public works, which will fuel demand for construction equipment." ■

Yardsticks of management performance		**Profitability**					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Agricultural													
Deere	76/●	1	def	def	67.7%	def	1	–6.8%	–5.4%		NM	D-D	NM
Varity Corp	65/DP		NE	def	185.5	def	2	–12.8	12.3		NM	P-D	NA
Medians			**def**	**def**	**126.6**	**def**		**–9.8**	**3.4**		**NM**	**NM**	
Building and mining													
Caterpillar	●/●	1	def	1.0%	27.1%	0.4%	4	–2.3%	4.9%		NM	–89.8%	NM
Clark Equipment	73/84	2	def	def	67.5	def	2	0.3	2.6		NM	D-D	NM
Harnischfeger Inds	28/44	3	def	1.5	66.5	1.2	1	2.5	45.3		NM	D-P	NM
LB Foster	42/●	4	def	def	500.0+	def	3	–0.2	–39.8		NM	D-D	NM
American Hoist	56/NA	5	def	def	100.0	def	5	–8.3	–16.5		NM	D-D	NM
Medians			**def**	**def**	**67.5**	**def**		**–0.2**	**2.6**		**NM**	**NM**	
Industrial													
Nacco Industries	35/21	1	22.1%	20.3%	178.2%	7.2%	10	5.9%	–14.6%	1	93.2%	4.2%	very high
Ametek	74/73	2	19.5	17.4	62.2	6.8	12	5.3	5.8	8	7.5	15.7	average
Colt Industries	28/25	3	18.7	NE	NE	4.3	30	–3.7	2.1	5	11.8‡‡	184.2	low
Pentair	39/55	4	17.0	9.8	44.3	2.0	1	24.6	40.0	7	8.2	5.8	low
Kaman	50/14	5	16.5	16.6	82.3	3.4	8	7.6	19.8	3	18.9	13.6	very high
Illinois Tool Works	●/●	6	15.1	28.0	75.4	6.5	2	14.6	127.1	9	6.2	221.0	low
Stanley Works	41/47	7	14.5	14.7	56.7	4.9	9	7.0	17.5	6	11.6	–1.0	average
Stanadyne	38/DP	8	14.5	13.6	9.6	5.6	11	5.4	6.3	11	5.5	8.5	very low
Tecumseh Products	●/●	9	13.7	12.5	1.7	7.3	17	2.1	9.2	13	1.8	22.5	very low
Parker-Hannifin	58/49	10	13.0	12.4	36.0	4.6	4	9.5	7.4	10	6.1	–3.0	very low
Trinova	77/71	11	12.4	def	24.5	4.0	5	8.7	0.2	2	76.3	P-D	NM
Sundstrand	32/6	12	11.8	5.5	47.2	2.4	7	7.7	–1.8	16	–8.9	–58.3	average
Zurn Industries	●/84	13	11.3	10.4	5.9	4.5	20	–0.1	13.6	14	–4.3	21.4	low
Foster Wheeler	60/38	14	10.6	5.7	45.3	2.0	32	–6.6	–1.1	18	–17.6	1.4	very high
Harsco	34/1	15	10.6	13.0	12.0	5.5	15	2.6	–3.3	12	2.5	29.8	very low

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Think small and grow

Innovation is nothing new at ITW (Illinois Tool Works). The 75-year-old Chicago maker of industrial products and consumables holds a remarkable 1,400 active patents. In the 1920s ITW patented the lock washer, in the 1930s the self-tapping screw, and in the 1950s its single most profitable product, the plastic collar for six-packs.

How does ITW do it? Two ways. First, by having the guts to take a lot of chances. "We make a lot of mistakes," says Chairman John Nichols. "It's a way of life around here." Second, by thinking small and producing thousands of products. ITW's $1.7 billion in sales stem from roughly 75 operating divisions, most of which generate only $15 million to $25 million in sales. "We live on small ideas," says Nichols. "We're excited about an idea that might sell only $25,000. But small ideas get lost with size. In a $200 million division, you've got to come up with $2 million ideas."

Sixteen months ago ITW broke its conservative tradition and paid $524 million for Signode Industries, maker of plastic and steel strapping used to bundle anything from lumber to magazines. Nichols promptly began to break Signode down into smaller units. Already some 20 new products have sprung out of the combination. Through September, ITW's earnings per share were up 51%, to $1.54, a sound endorsement for small but innovative thinking.

Kevin Horan/Picture Group

John Nichols of ITW

Yardsticks of management performance		**Profitability**					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
General Signal	32/41	16	10.3%	7.2%	9.7%	4.2%	19	0.2%	–7.0%	17	–12.5%	93.3%	average
Cooper Industries	49/34	17	9.1	11.4	51.2	4.8	13	5.1	–3.3	15	–7.9	9.9	low
Whittaker	62/57	18	9.1	14.5	21.2	6.8	37	–21.4	–27.3		NM	D-P	NM
Interlake	●/●	19	7.6	16.4	31.8	5.3	29	–3.6	0.8	4	12.8	–34.6	very low
Bearings	●/●	20	6.9	5.5	35.6	1.4	6	8.1	2.3	19	–22.2	272.0	average
Combustion Eng	●/●	21	5.6	6.6	37.0	1.7	33	–8.7	15.3		NM	–10.5	NM
Ingersoll-Rand	●/●	22	3.4	15.4	25.6	3.9	24	–2.8	–3.1		NM	96.9	NM
Todd Shipyards	27/PD	23	2.2	NA	NA	def	35	–12.9	–15.8		NM	D-D	NM
General Refractories	69/39	24	1.7	48.2	17.5	6.8	23	–2.2	–29.2		NA	122.2	NM
McDermott Intl	49/PD	25	1.7	def	77.2	def	31	–6.3	2.0		NM	P-D	NM
Eagle-Picher Inds	62/62	26	1.7	21.9	44.4	6.1	14	2.8	0.9		NM	D-P	NM
Stewart-Warner	46/32	27	1.3	def	0.0	def	25	–2.9	–3.6		NM	P-D	NM
Foxboro	●/●	28	1.3	def	2.2	def	22	–2.1	–8.7		NM	D-D	NM
Dresser Industries	38/69	29	0.8	def	17.0	def	28	–3.2	–18.8		NM	D-D	NM
Cincinnati Milacron	●/●	30	0.1	4.1	60.0	1.5	21	–1.2	0.7		NM	–36.4	NM
Timken	72/20	31	def	def	17.7	def	27	–3.0	5.5		NM	D-D	NM
Norton	●/●	32	def	def	39.5	def	26	–2.9	2.7		NM	D-D	NM
Stewart & Stevenson	●/●	33	def	7.9	36.4	2.0	34	–10.8	9.1		NM	D-P	NM
Ampco-Pittsburgh	41/44	34	def	def	46.5	def	18	2.0	–24.4		NM	D-D	NM
Harnischfeger Inds	72/56	35	def	1.5	66.5	1.2	16	2.5	45.3		NM	D-P	NM
Allis-Chalmers	●/●	36	def†	NE	NE	def	36	–17.3	–15.8		NA	D-D	NM
Masco Industries	24/33		NA	21.3	230.6	5.3	3	10.4	105.0		NA	313.2	NA
Medians			**8.3**	**8.8**	**36.2**	**3.9**		**0.2**	**0.9**		**–15.0**	**8.5**	
Industry medians			**5.6**	**6.1**	**38.2**	**2.0**		**–0.2**	**0.9**		**NM**	**1.4**	
All-industry medians			**12.8**	**13.6**	**48.6**	**4.3**		**6.8**	**8.3**		**5.3**	**13.9**	

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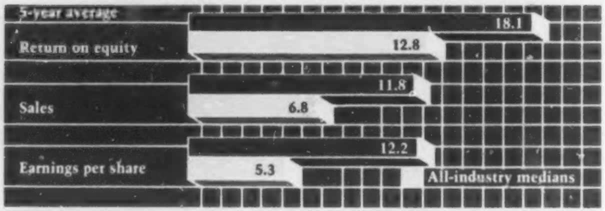
INDUSTRIAL AND OFFICE SERVICES

How to make money off the companies trying to save money



By Jason Zweig

LIKE THE EGYPTIAN PLOVER, a bird that rides on the backs of rhinoceroses and picks off the fleas, the companies in this group are symbiotically feeding on corporate America's push to reduce operating costs. Companies in this sector do everything from supplying temporary employees to servicing airline kitchens to killing termites. During 1987 their overall revenues grew 14%, nearly twice the average for U.S. industry as a whole.

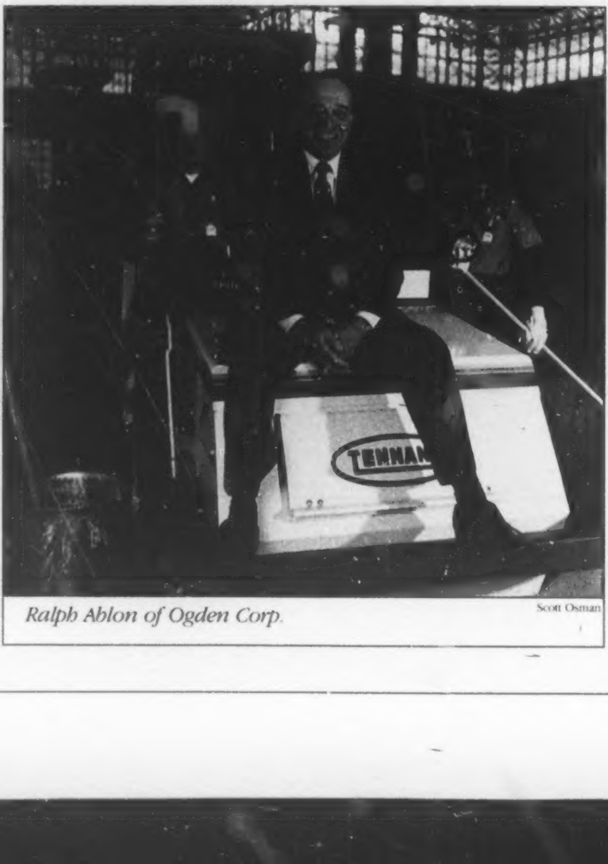
To serve the clients' needs, some of these firms diversified to the point of near confusion in 1987. PHH Group, already in property management, fuel credit card management and corporate aircraft services, took over Avis' small fleet-leasing operations. Esselte Business Systems, a maker and marketer of office products, acquired a Belgian manufacturer of com-

"We service everything"

In 1982 Ogden Corp. of New York City resembled nothing so much as a corporate kitchen sink, filled with everything from shipbuilding and machine tools to scrap metal and even the processing of Italian food. By the end of 1987 Ogden had been transformed beyond recognition into a 100% offices and industrial services company. Under Chairman and Chief Executive Officer Ralph Ablon, who orchestrated one of the most complete and successful business restructurings of recent times, Ogden now converts solid waste to energy, cleans up toxic waste and provides maintenance services for buildings and airports. "We can service absolutely everything," Ablon declares. "The end is cost-cutting, and we don't just sell the means to the end. We sell the end itself."

In 1987 Ablon moved his reborn company aggressively into a high-stakes new field that promises big returns over the long term: converting municipal waste to steam and electricity. With more and more communities now banning landfills, even as the amount of solid waste swells by at least 3% annually, there is growing demand for waste-burning facilities of the sort Ogden designs and operates.

Capital costs for these plants are initially high, but once up and running, such facilities can return a steady river of cash for up to four decades. In 1987 Ogden landed contracts for five such plants, for a total of $864 million. One-third of Ogden's net income ($55 million in 1987) already comes from waste-to-energy projects—up from less than 1% two years ago—and further increases are certain in the years to come. A long way indeed from selling scrap metal and canned minestrone.



Ralph Ablon of Ogden Corp.

Scott Osman

INDUSTRIAL AND OFFICE SERVICES

puter paper and a maker of staplers in Spain.

But many of the best performers in the group needed no such bulking up to stand out from the crowd. Commerce Clearing House, Inc., which publishes federal tax guides, prepares tax returns by computer and assists lawyers in filing corporate documents, added record sales and earnings to its number one ranking in return on equity. And at H&R Block, the nation's largest preparer of tax returns, revenues rose 14% and earnings per share 20%. Atlanta-based Rollins Inc. posted record sales and profits for the seventh straight quarter, as its Orkin unit expanded from a largely residential base of lawn care and pest control operations to include more commercial clients. Laidlaw Industries, Inc. grew 150% over the last 12 months. Sales were powered in large part by the 1986 acquisition of GSX Corp., a waste services company, which doubled Laidlaw's revenue base.

Processing solid and toxic waste continued to offer enormous growth possibilities, but two companies nonetheless stumbled badly. The U.S. Justice Department hit units of Browning-Ferris Industries and Waste Management, Inc. with a $1 million fine each, for conspiring to fix prices and stifle competition. The fines could hinder the firms' operations in several states that are empowered to prohibit the granting of public contracts to companies found guilty of felonies.

On balance, this much seems clear: Unless a severe recession hits in 1988, the imperative to keep cutting costs will keep this sector thriving. Yet if the economy goes into a steep decline, which at present seems unlikely, investors in these stocks had better watch out: Rhinos can shake off their plovers and lumber along without them. ■

		Profitability					**Growth**						
		Return on equity					**Sales**			**Earnings per share**			
Company	**% in —segment— sales/profits**	**rank**	**5-year average**	**latest 12 months**	**debt as % of equity**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**earnings stability**
Industrial services													
Rollins	●/●	1	29.0%	51.6%	0.0%	6.2%	6	4.8%	11.1%	4	17.2%	11.0%	average
Browning-Ferris Inds	●/●	2	22.7	22.5	37.2	10.4	4	15.6	24.7	3	17.2	21.1	very high
Waste Management	●/●	3	22.2	28.1	17.4	17.5	2	20.7	35.7	2	24.5	107.0	high
Laidlaw Industries	●/●	4	22.2	14.9	38.0	3.9	1	29.9	149.8	1	26.7	7.1	high
National Service	22/23	5	18.2	16.4	4.3	5.7	5	9.2	3.4	5	8.7	6.4	very high
Johnson Controls	43/35	6	14.7	10.8	15.7	3.4	3	16.7	1.4	6	7.1	–6.6	very high
Ecolab	●/●	7	13.2	52.5	156.3	15.9	7	4.7	9.3		NM	81.4	NM
Ogden	●/●	8	13.1	54.8	37.8	15.4	10	–19.1	–8.4		NM	D-P	NM
Honeywell	23/DP	9	6.1	def	26.4	def	8	1.9	–8.9		NM	P-D	NM
IU International	24/58	10	0.8	9.5	70.3	1.5	9	–6.4	–5.4		NM	D-P	NM
Medians			**16.4**	**19.5**	**31.8**	**5.9**		**7.0**	**6.4**		**7.9**	**16.0**	
Office products, services													
Commerce Clearing	43/39	1	41.3%	32.6%	2.2%	9.6%	16	9.3%	12.7%	13	12.2%	0.3%	high
General Motors EDS	●/●	2	37.9	36.3	58.1	6.7	1	59.9	1.5	1	45.2	17.8	high
Comdisco	●/●	3	32.8	26.1	83.4	8.0	5	18.7	35.2	5	27.8	18.3	high
Kelly Services	●/●	4	24.9	30.8	0.0	4.1	4	20.7	12.1	7	22.6	26.8	high
H&R Block	36/20	5	23.0	22.6	1.6	10.5	6	17.8	14.0	15	10.0	20.1	very high
Herman Miller	●/●	6	22.5	17.2	16.2	5.8	7	16.4	13.0	6	22.7	–2.1	very high
United Stationers	●/●	7	22.1	12.6	41.2	2.1	3	27.6	15.5	8	18.8	3.1	high
Xidex	●/●	8	19.7	def	30.9	def	2	42.3	23.2	12	13.3	P-D	average
PHH Group	●/●	9	19.3	14.3	381.7	2.9	9	15.5	59.5	16	7.9	5.7	very high
Standard Register	●/●	10	18.8	20.0	28.4	5.6	14	11.5	29.8	9	17.4	37.0	very high
HON Industries	87/●	11	18.6	19.0	28.9	4.8	10	14.0	5.2	10	15.2	–10.6	average
Automatic Data	●/●	12	18.1	18.1	23.5	9.8	8	16.4	13.6	11	13.7	22.7	very high
Reynolds & Reynolds	50/56	13	16.9	11.8	44.0	3.8	11	13.8	39.3	3	30.1	–21.7	NM
Computer Sciences	●/●	14	14.2	12.8	29.6	3.4	18	9.1	19.3	14	10.4	26.1	high
Moore Corp	●/●	15	14.2	11.8	4.5	5.4	21	3.0	0.0	17	2.3	–12.2	very low
Alco Standard	70/55	16	14.0	17.1	69.7	2.2	15	11.3	–15.8	19	–2.9	35.6	average
Bell & Howell	52/43	17	12.7	8.7	69.4	3.1	19	4.9	–7.6	18	1.5‡‡	–28.7	very high
Esselte Business Sys	60/45	18	12.6	14.8	27.1	4.5	12	12.9	28.4	2	32.1	29.4	very high
Dennison Mfg	45/54	19	12.0	15.6	40.9	5.1	20	4.5	4.0	21	–9.6	188.8	very low
American Building	●/●	20	11.6	5.8	21.8	0.8	13	12.1	8.9	20	–7.6	–20.5	average
Xerox	72/87	21	9.2	9.8	30.4	3.6	17	9.2	13.6	22	–10.7	2.6	average
Nashua	74/64	22	5.2	13.3	24.7	2.9	22	1.5	18.0	4	29.1‡‡	5.7	average
Savin	●/●	23	def†	NE	NE	0.0	24	–3.3	–7.0		NA	D-D	NM
AM International	●/●		NA	def	115.0	0.2	23	1.0	68.8		NM	D-D	NA
Medians			**18.1**	**14.5**	**29.2**	**3.9**		**12.5**	**13.6**		**13.3**	**4.4**	
Industry medians			**18.1**	**15.2**	**29.2**	**4.3**		**11.8**	**12.9**		**12.2**	**6.8**	
All-industry medians			**12.8**	**13.6**	**48.6**	**4.3**		**6.8**	**8.3**		**5.3**	**13.9**	

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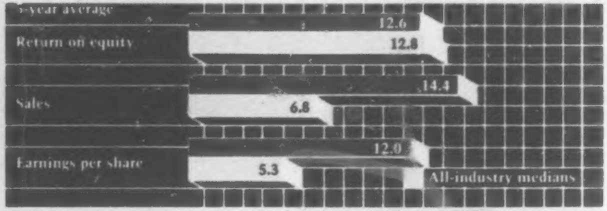
INSURANCE

Profits were up, stock prices were down, and troubles loomed everywhere.



By Jill Andresky

Even when times are good, as they have been for the past two years, these companies can't get any respect, at least from investors. Led by a continued rebound in the property-casualty market, insurers earned profit margins that were 22% higher than the Forbes all-industry median. But long before October's Black Monday, their stocks were trading at bargain-basement prices.

For life insurers, AIDS was the big problem. Although profit and sales growth were strong in 1987, investors quaked at estimates that health care costs for AIDS victims could reach $20 billion annually by the 1990s. Estimates based on existing life insurance policies alone suggest that AIDS-related deaths will account for over 10% of total life insurance claims by the mid-1990s.

The largest insurers banded together into an industry

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Brokers													
Marsh & McLennan Cos	71/79	1	30.4%	46.5%	1.9%	14.4%	1	15.6%	20.7%	1	10.8%	28.4%	low
Alexander & Alexander	88/●	2	def†	18.5	36.3	5.4	2	9.6	9.1		NM	500.0+	NM
Medians			14.9	32.5	19.1	9.9		12.6	14.9		NM	500.0+	
Diversified													
Loews	81/60	1	22.6%	17.8%	47.7%	5.8%	13	12.9%	13.3%	5	25.0%	–6.6%	high
Reliance Group	●/●	2	21.9†	47.1	177.3	4.6	8	16.1‡	17.5	1	73.8‡	500.0+	low
Teledyne	24/NA	3	21.4	15.2	28.0	7.7	25	1.6	0.5	7	18.9‡	10.3	low
AON	●/●	4	18.8	19.4	33.9	7.8	16	12.0	34.8	8	17.6	–9.6	high
American Bankers	●/●	5	17.5	def	100.0	def	6	19.6	12.5	14	9.8	P-D	average
Cincinnati Financial	●/●	6	17.5	15.1	9.7	10.5	7	16.5	17.0	10	14.9	1.1	high
Farmers Group	●/●	7	17.4	16.9	13.5	19.7	10	15.3	9.8	12	12.3	14.0	very high
American Intl Group	●/●	8	16.7	22.4	4.6	10.0	5	21.1	30.7	15	8.9	68.4	low
Old Republic Intl	●/●	9	16.4	17.1	19.7	8.2	3	28.5	1.7	17	6.8	28.7	high
Harcourt Brace	26/19	10	16.0	def	NE	def	14	12.4	26.6	3	40.0	P-D	NM
Uslico	●/NA	11	15.6	13.9	15.8	6.7	1	29.4	7.4	18	6.4	26.6	average
American General	●/83	12	14.7	14.0	13.5	10.5	4	22.3	12.5	11	12.5	18.7	average
Safeco	89/●	13	14.4	23.4	30.8	10.3	17	11.5	2.3	6	19.9	38.4	high
CNA Financial	●/●	14	14.1	13.0	1.5	4.8	11	14.8	22.2	4	34.5	–17.5	high
FPL Group	25/NA	15	13.8	13.2	112.3	9.1	24	8.1	4.3	16	7.1	6.3	very high
General Re	●/●	16	13.7	19.6	4.8	13.4	9	15.9	23.2	23	–1.3	80.1	very low
Sears, Roebuck	31/48	17	12.6	12.7	71.8	3.4	19	10.3	9.2	13	11.8	17.4	average
Kemper	76/52	18	12.5	18.7	13.5	7.6	18	10.6	11.2	20	3.2	32.7	very low
Lincoln National	●/●	19	11.9	14.0	12.4	4.1	12	14.5	34.1	9	15.5	26.8	high
Travelers	●/●	20	10.6	10.7	5.3	2.8	21	10.0	12.7	19	3.8	0.8	low
Gt Western Financial	25/ 4	21	10.6	16.0	88.5	6.5	2	28.9	16.3	2	53.8‡‡	–18.4	very high
Transamerica	87/59	22	10.5	18.4	98.8	6.0	23	8.4	15.7	24	–2.7	50.9	very low
Continental Corp	●/●	23	10.4	14.1	17.0	6.2	15	12.2	3.8	21	0.8	28.6	very low
ITT	48/28	24	8.5	11.0	33.6	9.7	26	–14.0	–39.0	25	–12.5	111.9	average
Aetna Life & Cas	●/●	25	8.3	15.8	7.6	4.1	22	8.8	10.4	22	0.3	14.5	very low
Cigna	61/59	26	4.6	16.0	7.4	4.7	20	10.1	0.6		NM	D-P	NM
Medians			14.3	15.5	16.4	6.6		12.7	12.5		10.8	18.1	
Life and health													
ICH	●/●	1	37.2%	18.0%	159.4%	5.9%	1	70.0%	56.2%	1	46.5%	–31.9%	high
First Executive	●/●	2	34.7	11.9	0.0	4.8	5	22.7	12.1	15	8.4	4.0	very low
American Family	●/●	3	19.3	25.5	13.9	6.4	6	20.8	40.1	2	39.5	40.8	high
Torchmark	●/87	4	16.7	23.5	31.5	12.6	7	20.6	5.6	7	23.5	5.0	high
Capital Holding	●/●	5	16.1	19.2	20.9	7.5	10	18.0	44.7	10	20.4	10.7	average

● 90% or more. **DD:** Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. †Four-year average. ‡Four-year growth. ††Three-year average. ‡‡Three-year growth. For further explanation, see page 65.

Patient insurer

Billy Grimes

American Family's Amos

In the lexicon of remarkable innovations, consider the achievement of John Amos. The 63-year-old founder and chief executive of Columbus, Ga.-based American Family Corp. took a product that was controversial in the U.S.—cancer insurance—redesigned it and in 1974 shipped it off to Japan, a country with one of the biggest, most well-entrenched insurance industries anywhere. American Family has now emerged as one of the 20 largest insurers in Japan, covering one of every six families. Last year 66% of the company's revenues and 70% of aftertax earnings came from Japan.

Amos' strategy is simple: "Stick to niche marketing and you're not big enough to scare anyone. Then you've got to be patient as Job and figure out how to do things the Japanese way." Back in the Seventies he came up with an idea guaranteed to win favor with the Japanese Ministry of Finance: Use retired Japanese workers to sell his product to their former colleagues. "Their retirement benefits weren't good enough to last them forever, so American Family became a little like their social security," he recalls. American Family now employs about 10,500 mostly retired Japanese workers.

Tragically, Amos himself is currently grappling with lung cancer. But he remains involved in company affairs and has devoted himself in recent weeks to preparing American Family's listing on the Tokyo Stock Exchange. The firm's 25.5% return on equity last year led the major U.S. life insurers, thanks to favorable currency translations and Amos' decision in late 1986 to sell most of his Japanese stockholdings.

		Profitability					**Growth**						
		Return on equity					**Sales**			**Earnings per share**			
Company	**% in —segment— sales/profits**	**rank**	**5-year average**	**latest 12 months**	**debt as % of equity**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**earnings stability**
Ethyl	29/26	6	16.1%	20.1%	60.8%	11.4%	18	–2.0%	4.6%	11	18.9%	16.4%	high
American Natl Ins	85/●	7	15.0	14.2	0.2	22.7	15	4.5	7.5	4	28.1	26.8	very high
Provident Life & Acc	●/●	8	14.6	13.1	0.0	5.4	12	15.2	28.3	12	18.0	0.9	very high
Monarch Capital	●/●	9	13.9	15.0	14.8	2.6	3	48.9	88.4	6	25.8	–12.2	high
Jefferson-Pilot	●/●	10	12.3	12.7	0.0	15.3	16	3.3	0.7	14	12.1	42.9	average
Integrated Resources	53/35	11	11.6	10.8	157.5	5.0	4	40.5	36.3		NM	500.0+	NM
Life Investors	●/86	12	10.9	9.1	55.2	2.5	9	18.6	37.1	8	21.5	–9.9	high
Business Men's Assur	85/PD	13	9.1	24.5	7.3	14.9	13	9.0	9.6		NM	D-P	NM
Equitable of Iowa	54/75	14	8.7	7.3	8.5	3.8	17	–0.2	9.4	13	16.2	–49.8	average
USLife	●/●	15	8.5	9.4	[illegible]	7.0	14	5.6	7.1		NM	–0.9	NM
No'western Natl Life	●/●	16	8.3	[illegible]	[illegible]	3.6	2	50.5	15.8	9	20.9	1.0	average
Washington National	●/●	17	7.2	6.5	1.2	3.6	19	–5.7	26.1	16	1.2	–23.8	very low
Kaufman & Broad	52/55	18	6.5	18.8	212.1	4.0	8	19.4	35.9	3	37.6‡‡	54.5	high
Primerica	40/39	19	6.5	18.9	141.3	6.3	20	–7.0	–21.7	5	27.0‡‡	22.6	very high
UNUM Corp	●/●		NA	NA	0.0	4.8	11	16.8	2.5		NA	NA	NA
Medians			**12.3**	**14.2**	**16.7**	**5.7**		**17.4**	**14.0**		**20.4**	**5.0**	
Property and casualty													
Geico	●/●	1	34.1%	37.0%	23.5%	15.1%	6	14.4%	11.7%	3	33.0%	14.5%	very high
Progressive	●/●	2	27.1	29.8	27.3	10.7	2	26.5	42.8	2	44.2‡‡	3.1	high
Berkshire Hathaway	●/●	3	17.2	8.6	2.7	8.8	1	33.3	21.3	1	46.0	–60.2	high
Hanover Insurance	●/●	4	12.0	30.0	0.0	8.4	4	15.5	24.6	5	2.2	126.0	very low
Foremost Corp of Amer	84/59	5	11.9	15.9	7.9	8.2	5	15.0	–2.4	7	–6.3	147.8	average
Chubb	77/63	6	11.7	20.4	17.7	9.4	3	17.5	26.0	4	5.6	84.8	very low
Ohio Casualty	●/●	7	11.2	18.7	0.0	7.3	9	9.7	15.1	6	1.3	28.8	very low
Xerox	24/NA	8	9.2	9.8	30.4	3.6	10	9.2	13.6	8	–10.7	2.6	average
USF&G	●/87	9	8.0	12.2	6.3	4.4	8	13.9	10.8		NM	–12.2	NM
St Paul Cos	●/64	10	7.2	20.9	10.4	9.3	11	9.1	8.9		NM	71.8	NM
Fireman's Fund	●/●	11	2.7	22.6	21.7	8.5	12	5.4	14.7		NA	105.4	NM
Orion Capital	●/●	12	def	def	36.9	def	7	14.2	5.3		NM	D-D	NM
Home Group	●/●		NA	19.5	76.0	6.5	13	–3.2	10.8		NA	500.0+	NA
Medians			**11.4**	**19.5**	**17.7**	**8.4**		**14.2**	**13.6**		**1.3**	**28.8**	
Industry medians			**12.6**	**15.9**	**17.0**	**6.5**		**14.4**	**12.5**		**12.0**	**16.9**	
All-industry medians			**12.8**	**13.6**	**48.6**	**4.3**		**6.8**	**8.3**		**5.3**	**13.9**	

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> *"We won't be around to keep our promises to current policyholders and our stockholders if we can't accurately assess our risks from AIDS."*

"CEO Task Force on AIDS" to plan concerted lobbying efforts, mainly in support of AIDS testing. In New York, Massachusetts and Texas the task force helped block laws this year that would have banned screening for underwriting purposes. Most large insurance companies continued to avoid writing new policies in Washington, D.C., which passed such a law in 1986.

Ian Rolland, chief executive of Fort Wayne, Ind.-based Lincoln National and one of the leaders of the campaign, says simply: "We won't be around to keep our promises to current policyholders and our stockholders if we can't accurately assess our risks from AIDS."

As if AIDS weren't enough, firms like Lincoln National and Cigna have been roiled by losses in their group health divisions. The problem: Their health maintenance organizations have proved costlier and less popular with consumers than anticipated.

With property-and-casualty insurers, investors were spooked by another worry: cyclicality. Although stock prices didn't reflect it, 1987 was in fact a very good year for property-casualty firms.

These companies won a multibillion-dollar tax break from Congress, kept policy prices high and pushed their all-important combined-loss ratios down from a horrendous record-high 118 in 1984 to near breakeven in 1987 at 104.

That meant good news as well for firms in the insurance brokerage industry, whose fortunes tend to rise and fall with policy prices.

Unfortunately, high prices and profits inevitably attract new competition, which leads to price wars, lower profits and, in the past, so-called cash-flow underwriting (selling policies at a loss in the hope of earning offsetting investment profits). By the end of 1987, price-discounting had already started.

In short, 1988 could see an intensifying squeeze on margins and softer stock prices than ever. ■

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LEISURE AND RECREATION

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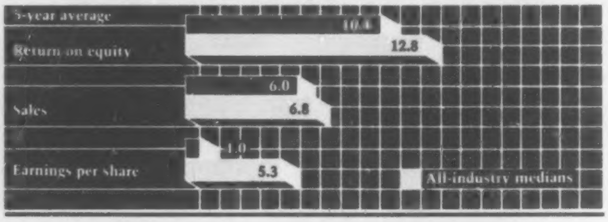

By Allan Dodds Frank

Over the years, the companies on this list have collectively become linchpins of the U.S. economy, contributing importantly to everything from employment in California and Florida to capital inflows from international trade. The heart of the business is Hollywood moviemaking, and in 1987 America's dream factories had their best year ever.

Led by Paramount's Eddie Murphy sequel, *Beverly Hills Cop II*, the motion picture industry in 1987 set a domestic box office record of at least $4.2 billion, mainly because the offerings attracted more older viewers than ever before. Aging baby boomers and their parents accounted for 21% of the box office last year, up from 14% in 1986.

For the second consecutive year, Gulf & Western's Paramount Pictures division was the top motion picture producer, capturing more than one viewer in five and nearly $400 million in box office receipts just from the year's three biggest

Yardsticks of management performance		**Profitability**					**Growth**							
		Return on equity					**Sales**			**Earnings per share**				
Company	**% in —segment— sales/profits**	**rank**	**5-year average**	**latest 12 months**	**debt as % of equity**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**earnings stability**	
Entertainment														
General Cinema	35/23	1	36.5%	22.6%	105.6%	10.8%	8	3.5%	4.1%	1	26.8%	27.0%	high	
CBS	31/45	2	19.3	42.4	84.4	9.4	7	3.6	–5.9	5	0.8	105.0	low	
United Artists	59/49	3	16.8	6.8	500.0+	1.3	4	16.6	17.4	2	11.1	–9.5	very low	
MCA	70/58	4	12.9	8.5	47.6	5.3	5	11.8	5.8	4	3.9	–26.7	very low	
Walt Disney	82/80	5	10.4	29.8	27.6	15.5	3	21.3	16.4	3	10.5	77.5	low	
Lorimar-Telepictures	75/●	6	8.9	def	165.8	def	2	33.5	23.0		NM	D-D	NM	
Gulf & Western	30/23	7	7.5	15.4	65.3	6.9	10	–14.5	22.8		NM	38.2	NM	
Warner Comm	84/●	8	4.3	24.7	38.0	8.7	9	–8.0	19.9		NM	3.6	NM	
Bally Manufacturing	59/61	9	2.6	10.2	227.3	3.7	6	9.8	8.2		NM	60.4	NM	
Turner Broadcasting	35/84		NA	NE	500.0+	def	1	38.2	24.7		NM	D-D	NA	
Medians			**10.4**	**12.8**	**95.0**	**6.1**		**10.8**	**16.9**		**NM**	**15.3**		
Hotels and gaming														
Marriott	42/48	1	22.1%	21.1%	164.7%	3.5%	1	20.5%	30.0%	2	18.3%	16.8%	very high	
Hilton Hotels	●/●	2	17.1	15.1	36.7	13.5	5	4.2	14.8	4	1.2	6.7	very low	
Holiday	●/74	3	13.5	21.7	NE	8.4	7	1.3	0.0	3	10.8	24.1	average	
Caesars World	●/●	4	7.3	14.5	21.9	5.2	6	3.5	12.3		NM	–4.4	NM	
Bally Manufacturing	41/39	5	2.6	10.2	227.3	3.7	2	9.8	8.2		NM	60.4	NM	
Ramada Inns	●/89	6	0.3	3.4	118.5	1.3	3	8.9	14.8	1	38.2‡‡	–7.1	average	
Resorts Intl	●/●	7	def	def	500.0+	def	4	4.4	8.4		NM	D-D	NM	
Medians			**7.3**	**14.5**	**118.5**	**3.7**		**4.4**	**12.3**		**1.2**	**6.7**		
Recreation														
Brunswick	73/81	1	29.4%	23.4%	54.4%	5.8%	2	10.8%	68.8%	2	17.1%	42.0%	low	
Minstar	58/●	2	26.7	1.4	52.5	0.5	1	136.8	–43.3	1	86.3	–91.5	average	
Coleman	71/72	3	10.3	10.4	45.4	3.1	3	7.6	20.3	3	–6.6	14.2	low	
Outboard Marine	82/71	4	9.8	11.1	27.5	3.6	4	4.5	32.7	4	–12.3	287.9	very low	
Medians			**18.5**	**10.8**	**49.0**	**3.4**		**9.2**	**26.5**		**5.3**	**28.1**		
Photography														
Fuqua Industries	28/18	1	25.6%	17.5%	87.4%	6.2%	1	3.4%	–9.8%	2	9.4%	‡ –9.3%	low	
Eastman Kodak	80/69	2	9.5	11.0	22.5	7.9	3	1.6	12.9	3	–21.9	500.0+	high	
Polaroid	●/●	3	5.2	15.6	0.0	6.6	2	2.0	14.2	1	22.5	71.8	average	
Medians			**9.5**	**15.6**	**22.5**	**6.6**		**2.0**	**12.9**		**9.4**	**71.8**		
Toys and electronics														
Coleco Industries	●/●	1	96.7%	NE	500.0+%	def	2	21.1%	–12.0%		NM	P-D	NM	
Hasbro	●/●	2	33.9	9.7%	20.4	4.4%	1	79.6	1.2	1	66.3%	–42.3%	NM	
Mattel	●/●	3	def†	def	187.5	def	3	–2.1	2.6		NM	P-D	NM	
Medians			**33.9**	**–11.5**	**187.5**	**–1.2**		**21.1**	**1.2**		**NM**	**NM**		
Industry medians			**10.4**	**11.0**	**59.9**	**4.8**		**6.0**	**13.6**		**1.0**	**5.1**		
All-industry medians			**12.8**	**13.6**	**48.6**	**4.3**		**6.8**	**8.3**		**5.3**	**13.9**		

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hits: *Cop II*, *Fatal Attraction* and *The Untouchables*. The year's box office hits should generate more profits in 1988 as they go into videocassette release and pay/cable TV distribution in North America and overseas.

Moviemaking was the brightest spot in entertainment, enjoying profitability nearly 45% greater than, and sales growth double that of, the overall business average. As a group, leisure and recreation did not perform as well as movies. Still, return on equity was 11%, and sales rose nearly 65% faster than the median for all businesses. Despite some impressive company gains over strong 1986 performances, median growth in earnings per share lagged other industry sectors by close to 60%.

Casino visitors in New Jersey and Nevada gambled over 10% more than in 1986, with revenues exceeding $5.3 billion. Profits at some casinos, notably Hilton, Bally and Holiday Corp.'s Harrah's, were up more than 20% for the first three quarters. In powerboats, both big boat buyers and first-timers purchasing runabouts were strongly in evidence, as the big four manufacturers showed sales gains exceeding 30%.

A few sectors of the industry suffered. Hotel operators had a mediocre year, in large part because of price wars in certain markets. But diminishing tax benefits from real estate shelters should lessen overbuilding and, unless a recession develops, help tighten the market in 1988 and 1989.

Toymakers also had trouble. Though foreign sales increased, the industry had flat revenues for the second year in a row, mainly because no new toy proved to be a big hit with kids. This year could be lackluster, too, unless another hit toy like the Cabbage Patch Kids is created.

The stock market decline could ultimately be advantageous to the strongest companies in this industry. Gulf & Western, Warner Communications and Walt Disney had record earnings last year. They now may acquire television stations, cable TV properties or even record companies that their chief executives had thought overpriced in 1987. If the friendly $2 billion deal by Sony for CBS Records works out, Hollywood's programmers could be the next Japanese target. One possible candidate is MCA, where doubts remain about how long Chairman Lew Wasserman, 74, will be able to resist temptations to merge or find a friendly buyer. Another tempting target is Lorimar, weighed down with debt from having paid handsomely for various broadcast and publishing properties. ■

Hollywood's listener

Among the big egos of movieland, a voluble lot, Frank Mancuso is a rarity. Mancuso, the soft-spoken 54-year-old chairman of Gulf & Western's Paramount Pictures division, listens well. Since he took over at Paramount in 1984, Mancuso has heeded the admonition of his boss, Gulf & Western Chairman Martin Davis, who tells Forbes his golden rule: "Here we're more interested in profits than awards."

Today, one moviegoer in five sees a Paramount production, and in 1987 the studio became the first ever to sweep a year with the top three hits. These productions, which collectively cost about $110 million to make and promote, will gross nearly $400 million in North America and add more than $100 million to profits. Overall, Paramount's 13 feature films, 15 television shows and its videocassette sales will produce a record $1.6 billion in revenues.

Mancuso's secret? In brief, he treats his employees as a microcosm of the country's moviegoers. After three previews of Paramount's $17 million *Fatal Attraction*, recalls Paramount Motion Picture Group President Ned Tanen, "We knew we had to do something about the ending. The audience wanted that character [Glenn Close's Alex Forrest] to get her comeuppance. They didn't want her to commit suicide, as she did originally. I went to Frank and said: 'This is going to cost us $1.5 million to reshoot the ending, so get ready.' Both of us aren't always grateful to be spending more money, but he agreed it was a gamble worth taking." Well before a movie begins shooting, Mancuso solicits ideas from writers, actors and directors. Dozens of Paramount executives in production, marketing and distribution also get involved. "We're programmers. But we don't separate programming from marketing," says Mancuso.

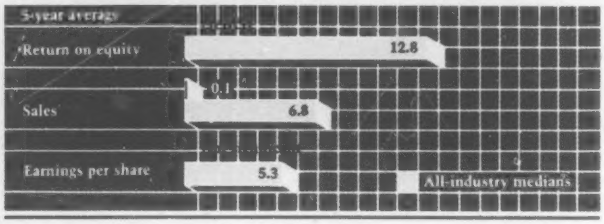
Frank Mancuso of Paramount Pictures

Christopher Little

Better than anyone else, Mancuso in 1987 zeroed in on the population's largest potential group of moviegoers—aging baby boomers 30 to 40 years old. By sensing the residual, if sometimes unconscious, affinity baby boomers have for their youthful television watching years, Mancuso returned to such instantly recognized properties as the old black-and-white television series *The Untouchables*, recreating it as a lushly colored feature film. *Fatal Attraction* was aimed at 20-to-40-year-old women initially but caught on with a wider audience, thanks in part to skillful promotion. Ahead for 1988: more Eddie Murphy, *Crocodile Dundee II* and new TV episodes of *Star Trek*.

METALS

Last year we advised these companies to "cut costs and pray." It's working.



By John Merwin

This time last year, nearly two-thirds of the companies on this list were like Lazarus the beggar, peering through the rich man's gate in hopes of a crumb from the feast. But just as the other Biblical Lazarus rose from the dead, so too have metals companies. Copper prices have nearly doubled, to $1.29 a pound. Aluminum ingot, at 82 cents a pound, is up 64%. Plus, the nation's five largest integrated steelmakers all ought to make money for a change.

The swiftness of this turnaround has been remarkable. With copper prices more than double the break-even costs of big producers such as Asarco and Phelps Dodge, copper is breezing into its best year since 1980.

Minimill biggie

Like Andrew Carnegie a century ago, steel minimill Nucor Corp. understands that the fellow with the latest equipment turns the highest profits. Says Nucor's chief executive officer of 22 years, F. Kenneth Iverson, "We learned a lesson integrated steelmakers didn't learn for a long time: Steel technology changes so rapidly that once you fall behind, you don't have the cash flow you need to modernize."

Year after year of technological innovation is a key reason Nucor remains a pacesetter, in both growth and profitability, for the entire industry. Nucor is investing over $175 million in a new mill and new casting equipment, which will allow the company to move from being strictly a minimill producer of low-end products to becoming a supplier of big-league flat-rolled steel, traditionally the domain of integrated steelmakers. Nucor will install a new West German technology that casts molten steel into 2-inch slabs rather than traditional 6-inch-to-10-inch slabs, which are too thick for the firm's minimills to handle. Potential labor and energy savings? About $50 to $75 a ton, says Iverson. Productivity? "The average integrated steelmaker produces around 400 tons of steel per employee, per year. We're looking for this technology to do some 1,200 to 1,500 tons per employee."

Nucor will be the first to implement the new casting technology, so there is risk when the mill opens in early 1989. "But if it works, and we get the lead that we think we can," says Iverson, "then we've mapped out the growth of this company for the next ten years."

Possible impact? Oppenheimer & Co.'s John Tumazos reckons that, if successful, the thin-casting technology plus some other technological advancements under development at Nucor could more than triple the company's share value by the mid-1990s. And that's what innovation in business is all about.

Benjamin Porter/Archive

F. Kenneth Iverson of Nucor Corp.

Aluminum looks nearly as good. Raw metal prices are higher than they have been since the early Eighties. Alcoa is restarting three aluminum smelting lines it wrote off in the fall of 1986. Reynolds Metals is actually allocating production to its own fabrication operations. Reynolds President William O. Bourke says he expects world supplies to remain tight throughout 1988. If prices of fabricated products such as aluminum beverage-can sheet rise much beyond last year's 15% rate of increase, aluminum companies will also report their best returns since 1980.

The immediate outlook for steelmakers is also bright, mainly because of shutdowns and eased labor agreements. USX' steel division president, Thomas Graham, notes that this year his company could break even operating at only 60% of capacity, compared with 90% before last year's strike. And that, says Graham, is how his company intends to stay in the black regardless of what happens to steel prices. Says he: "Our long-term salvation will come not from the price side but from the cost side." Inland Steel Chairman Frank Luerssen agrees, adding, "The real progress doesn't come so much from what you pay per hour but in how many hours it takes to make a ton of steel." At Inland, that figure is down 24% from five years ago.

Amid these heady times, a sobering note. A recession could hurt, though perhaps not so much as some people think. In copper and aluminum, the lowest worldwide inventories in 14 years should slow price slides. In steel, sharply lower break-even levels ought to cushion a recession's blow. ■

Yardsticks of management performance		**Profitability**					**Growth**						
		Return on equity					**Sales**			**Earnings per share**			
Company	**% in —segment— sales/profits**	**rank**	**5-year average**	**latest 12 months**	**debt as % of equity**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**earnings stability**
Nonferrous metals													
Engelhard	71/19	1	12.9%	13.3%	16.8%	2.9%	4	2.1%	8.4%	1	–8.8%	50.0%	average
Handy & Harman	67/●	2	4.8	def	92.4	def	7	–0.1	6.7		NM	D-D	NM
Alcoa	85/●	3	4.0	7.0	36.5	4.9	6	0.2	10.2		NM	D-P	NM
Newmont Mining	58/●	4	2.5	15.8	9.9	59.8	12	–11.7	–37.6		NM	350.0	NM
Alcan Aluminium	82/77	5	2.0	10.7	35.5	5.2	3	4.6	8.0		NM	D-P	NM
Reynolds Metals	●/●	6	def	15.5	84.0	5.1	5	2.1	8.8		NM	252.2	NM
Phelps Dodge	71/88	7	def	6.8	33.0	5.5	11	–8.1	52.6		NM	120.7	NM
KaiserTech	89/●	8	def	def	136.7	def	10	–7.8	–5.2		NM	D-D	NM
Asarco	86/87	9	def	19.1	30.2	12.6	9	–6.7	6.3		NM	D-P	NM
Inco	●/●	10	def	1.8	73.6	2.2	8	–1.5	10.3		NA	D-P	NM
AMAX	46/10	11	def	20.2	78.8	6.9	13	–12.5	106.9		NM	D-P	NM
Inspiration Resources	35/●	12	def	def	67.4	def	2	7.5	5.4		NA	D-D	NM
Cyprus Minerals	31/26		NA	2.5	13.8	2.7	1	8.0	–9.1		NA	D-P	NA
Medians			**def**	**7.0**	**36.5**	**4.9**		**–0.1**	**8.0**		**NM**	**350.0**	
Steel													
Worthington Inds	69/78	1	19.9%	17.3%	17.7%	5.1%	3	13.7%	7.9%	2	13.8%	–0.3%	high
Nucor	●/●	2	14.4	11.8	10.1	5.8	4	9.5	2.2	1	14.1	–21.5	average
Texas Industries	54/75	3	10.3	def	169.7	0.1	2	14.5	–7.5	5	–6.2	P-D	low
Central Steel & Wire	●/●	4	9.0	8.9	0.0	2.4	7	2.4	6.9	4	–4.1	17.3	very low
Commercial Metals	32/68	5	8.5	6.9	23.4	1.2	18	–5.3	–1.4	3	3.6	–28.8	low
Carpenter Technology	●/●	6	8.0	1.8	43.6	1.1	10	0.5	–8.8	6	–20.5	–59.5	average
Earle M Jorgensen	●/●	7	3.0	def	16.2	def	16	–3.6	9.5		NM	P-D	NM
National-Standard	●/●	8	0.0	def	53.6	def	13	–2.6	8.0		NM	P-D	NM
Lukens	68/67	9	def	11.1	36.5	3.1	9	1.2	18.1		NM	335.0	NM
Timken	28/80	10	def	def	17.7	def	15	–3.0	5.5		NM	D-D	NM
Ampco-Pittsburgh	40/73	11	def	def	46.5	def	8	2.0	–24.4		NM	D-D	NM
Inland Steel Inds	●/●	12	def	9.4	48.0	3.2	12	–1.6	9.1		NM	D-P	NM
USX	25/84	13	def	def	114.1	def	11	0.3	–22.5		NM	D-D	NM
Copperweld	●/●	14	def	1.3	77.1	1.9	20	–14.6	–35.2		NM	D-P	NM
Northwestern Steel	●/●	15	def	3.4	7.4	1.4	17	–5.0	11.6		NM	75.6	NM
Armco	81/62	16	def	23.0	84.4	4.3	21	–15.4	–1.0		NM	D-P	NM
Bethlehem Steel	●/●	17	def	15.7	152.3	3.1	19	–7.1	–3.4		NM	D-P	NM
Wheeling-Pittsburgh	●/●	18	def†	NE	NE	def	14	–2.9	25.6		NM	D-D	NM
LTV	61/85	19	def	NE	NE	def	5	5.5	1.3		NM	D-D	NM
Allegheny Ludlum	●/●		NA	NA	53.0	NA	6	4.9‡	NA		NA	NA	NA
Edgcomb	●/●		NA	def	500.0+	def	1	62.3	–5.7		NM	P-D	NM
Medians			**def**	**1.6**	**43.6**	**1.2**		**0.3**	**2.2**		**NM**	**–28.8**	
Industry medians			**def**	**2.9**	**40.0**	**2.2**		**0.1**	**6.3**		**NM**	**33.7**	
All-industry medians			**12.8**	**13.6**	**48.6**	**4.3**		**6.8**	**8.3**		**5.3**	**13.9**	

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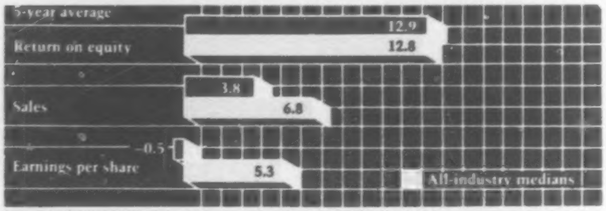
NATURAL GAS

Market forces once again disappointed, but Washington stood ready to help.



By William P. Barrett

IS THE TURNAROUND AT HAND? That's the murmur of the moment in this long-suffering industry. But it was also the murmur last year at about this time, and the year before that, and so on and so on. These stocks have generally lagged the market. Despite a few fresh reasons for hope, 1988 offers little prospect for big positive change.

One of the industry's basic problems stems from the fact that customers accounting for maybe 40% of usage could switch to oil if gas prices rose too much. Weak petroleum prices in the last few years have helped keep a lid on gas prices. But those low gas prices in turn have now curbed exploratory drilling activity to the point that the gas market has begun to tighten anyway. If petroleum prices were to rise in 1988, that could translate into good news indeed for gas producers. But present evidence suggests that crude prices are likely to remain low or even drop significantly in the months to come.

So the best hope for gas producers in 1988 will probably come not from market forces but from Washington. Regulatory changes now allow end-users to buy gas directly from producers in the newly developed spot market, arranging transportation from pipelines that in effect act as common carriers. This is called "third-party" gas, and spot prices for it at the wellhead, which bottomed out at $1.25 per thousand cubic feet in mid-1987 but rose to $1.80 near year's end, could well top $2 during 1988.

Federal regulators are also trying to remove some of the uncertainty facing pipelines over "take-or-pay" contracts with producers that obligated the pipelines to pay for gas at the sharply higher prices of yesteryear. The contracts have produced huge "accrued liabilities"—hundreds of millions of dollars for some companies—that have been weighing down

Yardsticks of management performance		**Profitability**					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Producers & pipeliners													
Coastal Corp	41/●	1	14.6%	23.7%	381.1%	2.0%	5	3.9%	6.4%	1	–0.9%	‡500+%	very low
Transco Energy	84/85	2	11.6	def	182.6	def	7	0.2	–14.6		NM	D-D	NM
Mitchell Energy	59/48	3	10.8	1.0	156.0	1.0	13	–9.2	–24.3	3	–35.3	–81.8	very high
Enron	●/●	4	10.7	def	246.7	0.1	1	21.3	–35.2	4	–36.0	P-D	average
Texas Eastern	77/●	5	8.3	7.2	110.1	2.4	9	–1.4	–18.5	5	–58.6	D-P	high
Burlington Northern	31/PD	6	8.0	9.5	79.6	5.3	2	14.0	–11.9		NM	D-P	NM
Tenneco	21/35	7	7.5	def	132.8	0.1	8	–0.6	–4.3		NM	D-D	NM
CSX	20/15	8	7.0	8.2	67.0	5.3	3	6.8	14.8		NM	D-P	NM
Occidental Petroleum	20/42	9	6.0	3.3	114.4	1.2	10	–1.9	12.9	2	–19.9	18.6	low
Sonat	87/42	10	5.9	def	92.4	def	12	–6.5	–26.1		NM	D-D	NM
Valero Energy	42/PD	11	1.5	1.9	58.7	1.8	6	1.0	–57.1		NM	D-P	NM
Panhandle Eastern	●/●	12	0.7	def	101.3	def	11	–4.9	–28.6		NM	D-D	NM
Williams Cos	●/●	13	0.6	def	92.6	def	4	5.9	–31.6		NM	D-D	NM
Medians			**7.5**	**1.0**	**110.1**	**1.0**		**0.2**	**–18.5**		**NM**	**–81.8**	
Distributors													
UtiliCorp United	68/8	1	18.2%	13.2%	109.7%	5.4%	2	23.0%	12.3%	7	10.3%	1.7%	high
Commonwealth Energy	37/27	2	17.2	11.2	80.0	5.2	29	2.6	0.5	3	15.2	–24.9	average
Laclede Gas	●/●	3	16.9	13.7	57.2	5.1	23	3.9	–18.7	2	19.2	–23.0	NM
Kansas Power & Light	60/21	4	16.8	15.0	84.6	7.6	1	29.4	–4.8	11	8.7	–3.0	high
No States Power	19/9	5	16.6	15.4	75.5	12.3	9	6.2	–3.5	10	8.9	1.9	very high

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Simplicity itself

Many natural gas pipeline companies are burdened with too much supply and not enough demand. But Thomas F. (Mack) McLarty III, chairman, president and chief executive officer of Arkla Inc., the Shreveport, La.-and Little Rock, Ark.-based integrated utility with 9,600 miles of pipelines, has come up with what is perhaps the simplest, most ingenious solution possible. During 1987 he simply went out and bought himself a market. The company agreed to acquire Entex Inc., the big, Houston-based utility with nearly 1.25 million customers throughout Texas, Louisiana and Mississippi.

The $670 million deal, expected to be completed early this year, will give Arkla an outlet for billions of cubic feet of its gas, adding, some analysts say, perhaps as much as 20% to the utility's 1988 per-share earnings.

Why isn't every pipeline company expanding like this? Many want to stay as far away as possible from state utility commissions, which set end-user rates and service standards for customers. Some don't have the financial wherewithal. Other companies just aren't that daring. But Arkla already had local utilities in several states—generally acquired years ago—and felt comfortable dealing with state regulators. "It was a return to our heritage," says McLarty.

The final wrinkle: By making Entex a division of Arkla instead of a wholly owned but corporately distinct subsidiary, Arkla will avoid the onerous reporting and regulatory requirements of the federal Public Utility Holding Act of 1935. And for McLarty, that's a pretty nifty maneuver in itself.

Thomas F. McLarty of Arkla Inc.

McMichael/Hinegardner

NATURAL GAS

balance sheets. In August the Federal Energy Regulatory Commission ruled that pipelines can now pass along part of the liabilities to customers in one of several different ways, which might remove some of the uncertainty. However, the ruling faces a court challenge.

As for many local distribution companies, the utilities hooked to the end-users, the year ahead doesn't look encouraging. For the most part, the companies are stuck with low, regulated rates of return, and some may even wind up having to absorb part of the take-or-pay solutions. The most profitable of these firms will be those that are integrated with their own production, such as Nicor, or that, like Brooklyn Union Gas, often buy directly from producers and play the third-party market. ■

Yardsticks of management performance		**Profitability**					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	**% in —segment— sales/profits**	**rank**	**5-year average**	**latest 12 months**	**debt as % of equity**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**earnings stability**
Peoples Energy	●/●	6	16.5%	11.8%	82.4%	4.8%	28	2.8%	–21.6%	8	10.0%	–26.9%	average
Illinois Power	31/8	7	16.1	16.3	96.4	26.3	27	3.5	2.3	18	6.3	7.1	average
Iowa-Illinois G&E	48/13	8	16.0	15.0	87.7	12.5	13	5.5	–11.6	25	2.0	12.5	low
Wisconsin Public Svc	31/7	9	15.5	14.0	52.6	9.0	26	3.5	–4.0	13	7.9	0.5	high
Baltimore G&E	24/9	10	15.2	16.7	78.8	16.3	17	4.8	1.3	6	11.2	10.2	very high
Pacific G&E	33/17	11	15.1	7.9	91.2	9.4	12	5.8	–8.5	15	7.5	–43.4	average
Niagara Mohawk Power	20/7	12	15.1	4.8	113.5	6.7	20	4.3	–2.8	24	2.9	–64.2	average
Rochester G&E	35/16	13	15.1	6.1	130.2	7.2	25	3.8	–2.7	20	4.8	–53.4	average
Cincinnati G&E	30/8	14	15.0	20.0	98.3	14.7	15	4.8	–1.5	16	6.8	11.4	average
Brooklyn Union Gas	●/●	15	14.7	14.1	74.6	6.4	7	6.7	–8.2	27	–1.6	42.1	very low
Southwest Gas	●/●	16	14.5	13.2	116.3	7.8	18	4.8	–10.9	4	13.0	24.2	high
Scana	26/9	17	14.3	16.0	98.0	11.9	5	8.3	2.4	19	5.7	14.0	average
Orange & Rockland	27/11	18	14.0	13.5	84.7	8.9	30	2.4	–6.7	22	4.0	–0.3	very high
CILCorp	37/18	19	13.8	14.7	84.9	10.0	31	1.6	–4.7	23	3.7	5.8	high
Washington Gas Light	●/●	20	13.6	11.8	63.2	5.4	19	4.7	–6.4	12	8.3	–2.3	high
Pub Svc Enterprise	29/12	21	13.4	9.6	91.7	8.2	14	5.1	–5.0	14	7.8	–29.1	very low
Public Service NM	35/12	22	13.2	10.0	73.4	17.2	3	16.9	2.4	28	–3.7	–19.4	average
Montana Power	15/9	23	13.2	7.2	72.5	8.8	11	6.1	1.2	29	–4.9	–65.5	very low
Louisville G&E	29/7	24	13.0	13.0	82.7	11.9	10	6.1	–3.6	17	6.7	6.0	average
DPL	26/10	25	12.7	16.8	122.4	14.0	22	4.2	–2.7	30	–6.1	98.8	very low
Public Service Colo	36/14	26	12.5	17.8	86.4	9.4	21	4.3	–1.5	26	0.0	80.1	very low
Midwest Energy	55/15	27	12.0	12.2	133.3	5.8	4	9.4	–0.9	21	4.2	–10.4	low
Wicor	72/74	28	11.9	8.6	61.7	2.9	6	7.2	–12.7	9	9.9	–23.9	average
Diversified Energies	82/PD	29	11.8	10.1	82.5	3.8	8	6.5	–23.8		NM	D-P	NM
Primark	●/●	30	11.2	11.2	64.6	3.6	34	0.1	–16.6	1	27.9	–2.3	very high
Atlanta Gas Light	●/●	31	10.8	12.2	85.8	4.0	16	4.8	–2.5	5	11.3	22.5	average
Entex	●/NA	32	10.0	def	271.4	def	36	–4.7	–3.3		NM	D-D	NM
No Indiana Pub Svc	46/7	33	6.1	4.7	113.5	4.9	32	1.5	–16.7		NM	D-P	NM
Eastern Gas & Fuel	41/●	34	4.5	3.4	52.8	1.9	33	0.2	–35.1		NM	–70.6	NM
CMS Energy	41/25	35	2.8	6.9	172.5	4.7	24	3.8	–9.8		NM	D-P	NM
UGI	61/86	36	2.7	11.3	58.4	6.0	37	–6.5	–5.9		NM	D-P	NM
Nicor	●/●	37	def	14.4	69.3	5.4	35	–2.2	–16.7		NM	D-P	NM
Medians			**13.8**	**12.2**	**84.7**	**7.2**		**4.7**	**–4.7**		**5.7**	**1.7**	
Integrated													
Equitable Resources	74/58	1	19.7%	8.9%	54.1%	9.1%	3	3.2%	–8.0%	2	7.6%	–37.7%	low
Questar	●/●	2	15.3	8.9	51.8	8.0	2	4.3	–14.0	3	7.3	–15.3	low
Consol Natural Gas	●/●	3	14.7	10.2	39.6	7.1	5	–0.4	–17.8	4	4.5	–12.9	low
Arkla	●/●	4	14.5	11.6	95.3	6.0	7	–4.8	36.1	5	–8.8	25.3	average
National Fuel Gas	●/●	5	14.1	10.5	74.6	4.9	4	0.3	–18.6	1	7.9	–14.9	average
Oneok	85/●	6	12.1	5.5	85.3	3.3	9	–5.6	–20.3	6	–11.4	–45.2	average
Pacific Lighting	59/●	7	10.9	14.5	70.2	4.4	1	8.4	–3.1	7	–18.1	78.0	average
KN Energy	●/●	8	10.5	0.1	80.1	0.7	8	–5.2	–10.5	8	–22.3	–93.3	high
Columbia Gas System	●/●	9	6.7	7.0	90.7	4.1	10	–5.9	–23.2		NM	31.7	NM
Enserch	45/88	10	5.2	2.6	95.9	1.3	6	–3.9	–5.9		NM	D-P	NM
Medians			**13.1**	**8.9**	**77.3**	**4.6**		**–2.1**	**–12.2**		**–10.1**	**–13.9**	
Industry medians			**12.9**	**10.2**	**85.5**	**5.3**		**3.8**	**–6.5**		**–0.5**	**0.1**	
All-industry medians			**12.8**	**13.6**	**48.6**	**4.3**		**6.8**	**8.3**		**5.3**	**13.7**	

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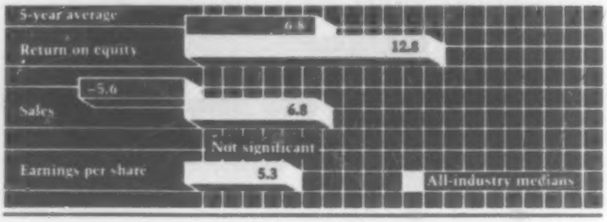
OIL

Well, at least the stuff isn't selling for $8 a barrel again.



By Toni Mack

THE BEST NEWS FOR THE OIL INDUSTRY last year was what didn't happen: a repeat of 1986's oil price crash. In a rare display of self-discipline, the 13-nation OPEC oil cartel held production down and prices up, to around $18 a barrel for much of the year. Lately, however, production has been climbing and prices have been slipping. That could mean plenty of tumult ahead in 1988, though a replay of 1986's crash to $8 per barrel still looks remote.

Yet market stability hardly meant renewed profits. For the first nine months of 1987, Exxon's refining and marketing profits dropped 93%, to $115 million, as a result of high gasoline inventories, which kept margins under pressure. Continuing overcapacity also hurt. Unless companies rein in their inventories or the Sunday drive in the country becomes a national obsession, don't expect 1988 to be much better. A rapid tumble in crude oil prices, though, would probably help widen gasoline and other product margins.

By contrast, petrochemicals were a bright spot. At Chevron, nine-month profits more than doubled, to $181 million. "Demand is rising at 1.5 times GNP growth, and supply isn't growing at all," notes Theodore Eck, Amoco's vice president and chief economist. "Unless we have a recession, 1988 ought to be a great year, too."

Oil companies are still buying reserves—witness Amoco's $4.2 billion offer for Dome Petroleum—but they're also drilling more. The oil service company Baker Hughes Inc. forecasts an average worldwide rig count of 2,320 this year, up 10.5% over 1987. But Baker Hughes Vice President Isaac Kerridge warns that a steep oil price drop could lead oil companies to cut back their drilling plans.

Renewed drilling will provide needed relief to oil service companies, which have been reeling from the Three Cs—cost-cutting, capacity shutdowns and consolidations. At Baker Hughes, created when Baker International merged with

Yardsticks of management performance		**Profitability**					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
International oils													
Exxon	89/86	1	17.6%	15.0%	14.1%	6.5%	6	–6.9%	–3.5%	1	5.1%	–14.2%	average
Amoco	86/74	2	14.9	10.1	27.6	6.0	7	–7.2	–6.8	3	–9.2	19.1	low
Phillips Petroleum	82/71	3	11.6	def	294.8	0.1	5	–6.7	–10.5	5	–10.0	P-D	average
EI du Pont de Nemours	37/20	4	10.6	12.7	22.5	5.8	1	3.5	4.3	2	3.8	6.4	very low
Chevron	●/86	5	9.8	4.5	43.1	2.9	3	–5.3	–14.2	6	–15.0	–49.9	average
Mobil	83/●	6	9.3	7.1	49.0	2.2	4	–5.5	–1.8	4	–9.5	–34.1	average
Texaco	●/●	7	6.9	2.9	59.0	1.2	8	–7.9	–9.1	7	–17.6	–59.4	average
Occidental Petroleum	20/36	8	6.0	3.3	114.4	1.2	2	–1.9	12.9	8	–19.9	18.6	low
Medians			**10.2**	**5.8**	**46.1**	**2.5**		**–6.1**	**–5.1**		**–9.7**	**–24.2**	
Other oil and gas													
Holly Corp	●/●	1	25.5%	4.8%	110.0%	0.4%	20	–5.1%	–19.2%	1	49.0%	–92.1%	high
Equitable Resources	26/42	2	19.7	8.9	54.1	9.1	4	3.2	–8.0	3	7.6	–37.7	low
Witco	53/59	3	15.4	13.9	49.5	4.8	6	1.8	0.6	2	13.1	0.7	high
Coastal Corp	49/DP	4	14.6	23.7	381.1	2.0	3	3.9	6.4	6	–0.9‡	500.0+	very low
Mapco	80/64	5	14.4	12.3	77.9	3.9	19	–5.0	–8.5	4	5.8	–33.1	very low
Getty Petroleum	●/●	6	13.8	11.3	133.1	0.8	1	43.9	–4.9		NM	–61.6	NM
Quaker State Oil	76/73	7	13.4	def	20.2	def	10	0.2	–8.7	5	5.5	P-D	low
Unocal	84/80	8	12.8	11.9	257.1	2.5	17	–4.6	–4.1	10	–19.1	500.0+	high
Union Texas	●/●	9	12.0††	NE	352.1	1.2	29	–9.8‡	[illegible]		NM	D-D	NM
Pennzoil	86/64	10	11.3	7.6	161.7	4.1	21	–5.7	–12.8	11	–19.9	D-P	very high

● 90% or more. **DD:** Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. †Four-year average. ‡Four-year growth. ††Three-year average. ‡‡Three-year growth. For further explanation, see page 65.

Offshore treasure seeker

The best innovation creates new business. At Cameron Iron Works—a misleadingly low-tech name for a highly sophisticated outfit—Chairman Philip Burguieres has aggressively pursued technology that allows development of offshore oil and gas that would otherwise lie untapped at today's low prices.

The technology is known as "subsea well completion." It puts production equipment for offshore wells directly on or below the sea floor, rather than atop the massive steel platforms that have traditionally been used. In the deeper waters where more and more oil is being found, subsea completion is far more economical.

Cameron isn't the only subsea pioneer. But Burguieres (rhymes with "pure air"), trading on Cameron's superb reputation in pressure-control equipment, has made the technology the centerpiece of Cameron's growth for the 1990s and beyond. This is the sort of bold move that can give a well-managed, second-tier company a much faster growth rate than its far larger peers if it pays off, and the 44-year-old, Louisiana-born Burguieres is willing to make the bet. Says he, "We've geared the whole company to take advantage of this." He expects subsea work to account for 30% to 40% of Cameron's revenues by 1992.

Long the industry leader in certain wellhead gadgets, Cameron has been adapting them, and creating new equipment, for subsea use. Analysts expect it to turn profitable later this year, but for the last five years, when Cameron's losses totaled $277 million, Burguieres kept research spending, much of it on subsea work, at $15.5 million to $19 million yearly anyway. In today's market, to the innovator will go the spoils.

Robbie McClaran

Philip Burguieres of Cameron Iron Works

OIL

Hughes Tool in April, Chief Executive James Woods figures he will have cut costs a net $85 million and turned the company profitable by the end of March.

Overall, service companies are operating at as little as 50% of capacity, and since they can handle increased business with minimal added cost, even a small upturn has a disproportionate effect on profits. "Virtually every company in the industry is improving," says analyst James Crandell of Salomon Brothers. Halliburton, Schlumberger and Dresser Industries are already turning profitable. Look for further industry consolidations this year, though probably not on the scale of the Baker Hughes deal.

Two battlefronts the industry will be watching closely: the fight with environmentalists to gain access to the Arctic National Wildlife Refuge—which may contain billions of barrels of oil—and a move afoot in the U.S. Congress to repeal the Windfall Profit Tax. Repeal would not help profits now, but it would at oil prices of $22 and above. ■

Yardsticks of management performance		**Profitability**					**Growth**						
		Return on equity					**Sales**			**Earnings per share**			
Company	**% in —segment— sales/profits**	**rank**	**5-year average**	**latest 12 months**	**debt as % of equity**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**earnings stability**
Freeport-McMoRan	24/●	11	10.9%	32.4%	48.8%	22.6%	15	–3.5%	40.8%	9	–18.9%	500+%	average
Mitchell Energy	31/44	12	10.8	1.0	156.0	1.0	28	–9.2	–24.3	12	–35.3	–81.8	very high
Atlantic Richfield	87/89	13	9.8	18.0	112.9	6.2	32	–10.6	–4.3		NM	41.3	NM
Pacific Resources	●/●	14	9.7	1.5	78.1	0.7	14	–3.0	–3.0		NM	–90.3	NM
Sun Company	86/79	15	9.7	6.4	32.7	4.1	26	–7.5	–27.3	8	–11.4	–53.5	average
Cabot	41/31	16	8.0	6.7	43.8	2.8	16	–3.7	8.7		NM	–44.5	NM
Tenneco	22/13	17	7.5	def	132.8	0.1	11	–0.6	–4.3		NM	D-D	NM
Louisiana Land	●/●	18	7.0	def	90.4	def	25	–6.7	–15.1		NM	D-D	NM
Ashland Oil	58/69	19	6.7	14.3	74.1	1.9	18	–4.8	–1.7		NM	–30.6	NM
Murphy Oil	●/●	20	6.6	def	24.0	def	31	–10.1	–11.9		NM	P-D	NM
National Distillers	36/43	21	6.4	22.9	61.5	9.5	7	1.7	16.6	7	–8.2	200.0	low
Union Pacific	38/●	22	5.6	15.0	67.6	10.2	5	2.8	–19.4		NM	D-P	NM
American Petrofina	78/●	23	4.4	11.5	45.7	3.2	13	–2.8	8.2		NM	D-P	NM
Kerr-McGee	72/●	24	3.0	5.7	44.2	3.0	24	–6.7	–10.2		NM	D-P	NM
DeKalb	18/53	25	1.8	5.3	47.0	4.6	22	–6.2	–13.2		NM	D-P	NM
Valero Energy	56/●	26	1.5	1.9	58.7	1.8	8	1.0	–57.1		NM	D-P	NM
PS Group	●/NA	27	1.0	22.5	88.1	10.3	2	16.4	–46.8		NM	500+	NM
Amerada Hess	●/●	28	0.3	11.9	47.0	5.6	33	–12.1	–13.4		NM	D-P	NM
Crown Central Petroleum	76/●	29	def	def	56.8	def	23	–6.4	–14.4		NM	D-D	NM
USX	55/PD	30	def	def	114.1	def	9	0.3	–22.5		NM	D-D	NM
Tesoro Petroleum	●/23	31	def	def	55.0	def	30	–10.0	–10.4		NM	D-D	NM
National Intergroup	46/66	32	def	def	62.1	def	12	–1.3	15.8		NM	D-D	NM
Charter	●/89	33	def††	119.8	253.5	3.7	35	–26.2	–21.3		NM	D-P	NM
Diamond Shamrock R&M	●/●		NA	16.6	145.9	2.3	27	–9.2‡‡	–11.7		NA	NA	NA
Maxus Energy	●/●		NA	def	128.7	def		NA	NA		NA	NA	NA
Tosco	●/●		NA	def	130.9	def	34	–25.2	8.6		NM	D-D	NA
Medians			7.5	6.5	76.0	2.2		–4.8	–10.2		NM	–35.4	
Oilfield services													
Schlumberger	58/10	1	9.5%	def	10.9%	def	2	–3.0%	–23.5%		NM	D-D	NM
Halliburton	62/●	2	3.3	0.9%	9.5	0.6%	8	–14.9	–18.1		NM	D-P	NM
McDermott Intl	26/●	3	1.7	def	77.2	def	4	–6.3	2.0		NM	P-D	NM
Dresser Industries	62/31	4	0.8	def	17.0	def	3	–3.2	–18.8		NM	D-D	NM
Cameron Iron Works	66/68	5	0.1	def	32.2	def	7	–13.0	–22.6		NM	D-D	NM
Zapata	53/23	6	def	def	97.7	def	9	–14.9	–37.0		NM	D-D	NM
NL Industries	36/DP	7	def	def	34.5	def	6	–12.3	–3.6		NM	D-D	NM
Baker Hughes	●/●	8	def†	def	61.0	def	5	–7.3‡	–30.2		NM	D-D	NM
Smith International	●/●	9	def	def	102.3	def	10	–17.0	–46.3		NM	D-D	NM
Western Co No Amer	●/●	10	def	NE	NE	def	11	–19.0	–45.4		NM	D-D	NM
Gearhart Industries	●/●	11	def	NE	NE	def	1	9.1	–46.2		NM	D-D	NM
Medians			def	def	32.2	def		–12.3	–23.5		NM	NM	
Industry medians			6.8	3.3	61.0	1.2		–5.6	–10.4		NM	–53.5	
All-industry medians			12.8	13.6	48.6	4.3		6.8	8.3		5.3	13.9	

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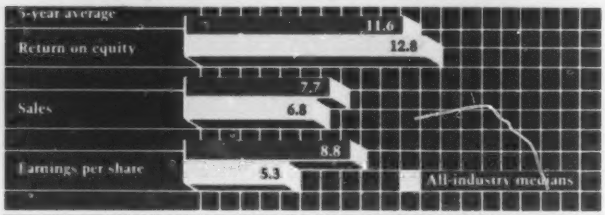
PACKAGING

Glass for some, metal for others, but almost everyone wanted a piece of plastic.



By Kathy Murray

THE PACKAGING INDUSTRY was like a game of gin rummy in 1987 as players swapped, drew and discarded glass, metal and plastics businesses, each certain that its combination would make it the packaging leader of the future. Sales rose along the way, but margins for most firms remained fairly flat. Meanwhile, merger activity pushed stocks to new highs, helping many outperform the market. Similarly, the swapping set helped push the industry median return on equity up 10% over the last year's 13.1%. The most active in the game were glassmakers. Shipments were up slightly for the second year in a row as consumers continued to show a clear preference for glass containers for drinks of all

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Anchor Glass	●/●	1	166.6%††	34.7%	90.8%	2.9%	7	15.6%	11.7%		NA	–15.8%	NM
Jefferson Smurfit	69/36	2	22.5	49.5	123.6	6.7	6	17.7	14.2	4	18.1%	218.8	high
James River Corp Va	30/22	3	19.5	11.2	67.7	3.7	3	39.0	50.6	5	17.7	8.7	average
Fort Howard	NA/NA	4	19.2	12.4	30.7	8.7	4	30.4	16.2	12	8.8	–9.4	high
Ball Corp	74/79	5	17.3	17.4	21.5	6.0	14	6.4	1.8	10	13.1	8.7	very high
Avery International	37/42	6	17.1	19.0	40.6	3.9	10	11.5	33.8	9	13.1	38.6	very high
Sonoco Products	81/62	7	16.9	23.7	44.1	5.4	8	13.6	25.9	11	11.0	49.4	high
Triangle Industries	●/●	8	16.0	13.5	208.5	2.2	1	58.3	75.6		NM	–39.1	NM
Pittway	31/35	9	13.3	10.3	6.1	4.6	11	8.7	8.3	15	–0.9	–4.6	very low
Standard Shares	33/35	10	13.2	17.9	18.4	4.2	12	8.2	5.8	13	4.4	58.1	very low
Bemis	66/55	11	11.8	14.2	46.5	3.3	18	4.3	9.1	6	16.5	21.5	average
Crown Cork & Seal	●/●	12	11.8	14.5	4.0	5.2	20	3.4	5.1	7	15.3	15.9	high
Temple-Inland	56/39	13	11.5††	14.4	33.1	8.7	19	3.5	26.6	8	14.2‡‡	79.9	low
Federal Paper Board	22/8	14	11.4	19.1	68.5	6.2	9	13.4	12.7	19	–6.5	127.4	very low
Union Camp	31/6	15	11.1	15.5	44.7	8.6	16	5.2	13.3	18	–5.1	97.0	low
Longview Fibre	51/12	16	9.7	26.5	50.8	11.1	15	5.9	19.6	1	38.5	117.1	high
Constar Intl	●/88	17	8.1	9.3	108.5	1.8	23	–1.3	–19.9	14	0.4‡‡	–34.1	very low
Chesapeake	24/18	18	7.3	10.4	119.0	3.3	5	18.4	15.0	17	–2.5	142.6	very low
Brockway Inc (NY)	●/●	19	6.3	15.4	28.9	3.5	13	7.2	0.8	3	19.7	27.2	very low
Stone Container	71/NA	20	6.2	30.9	181.3	4.4	2	40.1	62.4		NM	500.0+	NM
Mead	29/23	21	5.5	13.6	69.9	3.5	22	2.1	39.3	16	–2.0‡‡	60.5	very low
International Paper	42/33	22	5.2	13.5	42.2	5.1	21	2.7	62.3	20	–11.8	131.8	low
Boise Cascade	32/20	23	4.6	10.1	61.8	4.2	17	5.2	2.2	2	20.0	80.3	very low
Kerr Glass Mfg	●/●	24	def	3.8	104.5	1.1	24	–15.4	–0.5		NM	D-P	NM
Industry medians			**11.6**	**14.4**	**48.6**	**4.3**		**7.7**	**13.7**		**8.8**	**53.7**	
All-industry medians			**12.8**	**13.6**	**48.6**	**4.3**		**6.8**	**8.3**		**5.3**	**13.9**	

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sorts, particularly fruit juices. Although continued lightweighting and downsizing of bottles could mean lower prices in the future, analysts expect demand to hold relatively steady through 1990.

To capitalize on the trend, Anchor Glass Container—only five years ago a discarded underperformer of Anchor Hocking—paid $195 million in cash to acquire Diamond-Bathurst in August, netting it a 25% share of the U.S. glass market and bringing it even with first-place Owens-Illinois. While the acquisition saddled Anchor with $360 million in debt (84% of equity), the company expects to pick up customers as other players drop out, and improve profit performance in 1988 through capacity reductions and other cost-cutting. Not to be outdone, Owens-Illinois, which was taken private by Kohlberg Kravis Roberts & Co. in March, reached for Brockway, Inc. Antitrust questions have stalled the takeover, but probably not for long. If approved, the acquisition will allow Owens-Illinois to reclaim its lead with a 35% chunk of the U.S. glass business. Profits may be squeezed short term, but streamlining and capacity reductions should help the company, and the industry, in the future.

Metal container companies similarly maneuvered for market share. After missing out on chances to buy Diamond-Bathurst and Brockway, ever-insatiable Triangle Industries added plastics makers Guardian Packaging and Ludlow Corp. to its $4.2 billion packaging empire. If a $1.6 billion debt load or some other financial flip doesn't break the back of this monster, steady demand and overseas expansion could boost earnings per share by 14% this year. On a smaller scale, Crown Cork & Seal Co. expanded its canning operations by opening two new plants, though it closed its Baltimore bottle cap plant.

On the face of it, plastics looks to be the least attractive of any packaging product, burdened as it is with environmentalists' concerns as well as pricing uncertainties about petroleum, the key ingredient. Yet most major players hedged their bets in other products by keeping a finger in the plastics market. Why? Competitiveness means meeting customer needs. Explains Richard Palm of Merrill Lynch, "Plastic containers are able to do more jobs." During 1987 Ball Corp. and Triangle Industries pushed squeezable ketchup bottles, while Constar International (formerly Dorsey Corp.) relaunched its plastic can line. Even former paper packager Sonoco Products got into the act, shelling out $183 million for Boise Cascade's consumer packaging group to cash in on plastic motor oil bottles and other types of plastic packaging. ■

Bet hedger

BALL
FRUIT
Ball
MASON'S
PATENT
1858
28 oz

Richard Ringoen of Ball Corp.

Steve Kagan

Many of his competitors spent 1987 deciding what kind of packaging business they wanted to become. But Richard Ringoen, 61, chairman and chief executive of Ball Corp., had to figure out what kind of business he wanted to remain. His answer is one of the cleverest hedges of the year: Ball will continue with a strong tie to its roots in glass container packaging but let others pay the capital costs, as well as absorb any losses, if the gamble doesn't work out.

Ball Corp. has always been primarily a packaging business, deriving 74% of its $1 billion revenues from container sales. About 20% comes from glass, a business that began with canning jars well over 100 years ago. But while glass has shown slight gains in recent years, that was not acceptable to Ringoen. Moreover, consolidation was changing the industry. Ball clearly had to become bigger or get out of the business. "My feeling was that this was the whole foundation of the company and we'd better not play too loose here," he says.

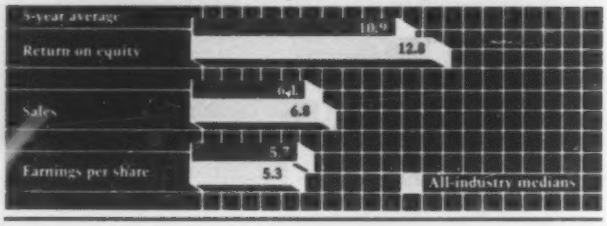
Ringoen's have-it-both-ways solution: a spinoff of Ball's glass container operations in an unusual and imaginative 50-50 joint venture deal with a Netherlands-based firm, Thyssen-Bornemisza Group (TBG). The deal gives Ball an opportunity to remain in the glass packaging business as a major player while limiting its risk in the event that glass starts to slide.

To pull off the joint venture, the first ever in the glass industry, Ball swapped its $200 million (sales) glass business for a 50% interest in the new $550 million company, Ball-Incon Glass Packaging, now the third-largest glass container manufacturer in the industry. But unlike other packagers—Anchor Glass and Triangle among them—that leveraged their companies heavily to become major players, Ball retains a low debt load of 21.5% of equity, less than half the industry median.

If the joint venture succeeds, Ball's shareholders should benefit handsomely. If the venture fails, the shareholders should hardly notice.

PAPER

Suddenly the business has become a license to print money.



By Kathleen K. Wiegner

NOT SINCE THE EARLY 1970s has this industry enjoyed the prosperity that a weak dollar and low inflation brought papermakers in 1987. Industry earnings were up an average of 50% over 1986 levels, the steepest rise in more than a decade, while median return on equity rose 44% from a year earlier.

The major factor in all this was the weak dollar, which allowed U.S. producers to raise prices yet still compete in foreign markets. Low inflation held raw material costs down. What's more, company margins benefited from cost-cutting measures undertaken over the last three years.

For much of this decade, printing and writing grades of paper have been better earners than commodity grades. Not last year. Makers of export-oriented commodity paper products like linerboard, market pulp and bleached board were the major beneficiaries of the weak dollar. Export pulp prices hit alltime highs last year, rising 53% over 1985 levels. Companies like Weyerhaeuser, International Paper, Great Northern Nekoosa and Federal Paper Board all benefited. By contrast, higher prices hurt big buyers of pulp like Pentair, which relies on outsiders for most pulp requirements, and James River.

Nearly all paper stocks suffered in the wake of the October

Tiger in paper

One reason U.S. international accounts are a mess is that too many American businessmen are more comfortable doing business at home than abroad. Not Philip Lippincott, chief executive of Scott Paper Co., the world's largest manufacturer and marketer of consumer tissue products—everything from facial tissues and toilet paper to Viva brand paper towels.

Scott's rivals for years have mouthed platitudes about marketing to the world but have actually done little. Lippincott meanwhile keeps grabbing more and more business out from under their noses—helping both his shareholders and the U.S. economy in the process. His latest move came last autumn when Lippincott announced plans to spend more than $250 million over the next three years to expand operations in Western Europe, Scott's biggest investment to date there. Lippincott plans to add new capacity and to upgrade manufacturing facilities in France, Italy and Spain. Why Europe? Because that's where the opportunity is. The average American currently uses 42 pounds of tissue products annually, Europeans only 15 pounds. Scott is already the dominant tissue products company in Western Europe, with $750 million in 1986 sales. Lippincott figures his company's European sales could reach $1 billion before 1990.

"Between 1986 and 1991 Europe will need to add 300,000 more tons of capacity to meet growth in demand," says Lippincott. "That's five paper machines, and we expect to have three of them. We expect to take 60% of the market growth. Europe is our number one growth opportunity," he predicts.

Scott Paper's Philip Lippincott

crash, as fears of recession took their toll on this commodity business. Hardest hit have been highly leveraged companies like Stone Container, which has seen its stock fall 39% from its peak, and Great Northern, down 33%. If interest rates take off in 1988, these stocks could suffer even more.

But unless the economy itself crumples, earnings for the industry as a whole should continue to grow. More paper grades will do well than last year. Newspaper and magazine coverage of the Olympics and the presidential elections will help makers of newsprint and the coated papers used by magazines. Prices for uncoated free sheet (paper used in computers and copiers) were held down by the addition of new capacity in 1986. But prices this year should rise by at least 5%. Among other companies, this would benefit Union Camp Corp., which has made big investments in this product, Boise Cascade and International Paper.

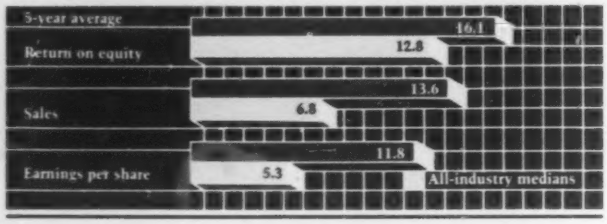
With paper companies suddenly awash in free cash, the question of what to do with that money will be critical. Companies will probably try to invest it quickly either in new capacity or in acquisitions to fend off raiders. But expect more consolidation. Mead Co. last year was rumored to be a takeover candidate. And James Goldsmith, who has taken over two paper companies, is said to be interested in International Paper or Champion International. ■

Yardsticks of management performance		**Profitability**					**Growth**						
		Return on equity					**Sales**			**Earnings per share**			
Company	**% in —segment— sales/profits**	**rank**	**5-year average**	**latest 12 months**	**debt as % of equity**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**earnings stability**
Jefferson Smurfit	31/64	1	22.5%	49.5%	123.6%	6.7%	6	17.7%	14.2%	5	18.1%	218.8%	high
James River Corp Va	70/78	2	19.5	11.2	67.7	3.7	2	39.0	50.6	7	17.7	8.7	average
Fort Howard	NA/NA	3	19.2	12.4	30.7	8.7	3	30.4	16.2	10	8.8	–9.4	high
Consolidated Papers	●/●	4	18.5	15.0	0.0	11.6	13	6.1	8.0	6	17.9	–13.5	high
Pentair	61/45	5	17.0	9.8	44.3	2.0	4	24.6	40.0	11	8.2	5.8	low
Bowater	●/●	6	15.3	11.7	46.9	5.7	22	3.3	26.5	20	–8.0	14.0	low
Kimberly-Clark	20/28	7	15.0	19.8	29.2	6.5	9	9.2	11.9	12	6.6	46.8	high
Media General	27/60	8	13.2	def	61.1	3.3	8	11.2	13.3	21	–8.0	P-D	low
Dennison Mfg	55/46	9	12.0	15.6	40.9	5.1	20	4.5	4.0	22	–9.6	188.8	very low
Federal Paper Board	66/83	10	11.4	19.1	68.5	6.2	7	13.4	12.7	18	–6.5	127.4	very low
Union Camp	51/88	11	11.1	15.5	44.7	8.6	18	5.2	13.3	17	–5.1	97.0	low
Scott Paper	27/36	12	11.1	15.5	90.5	5.5	10	8.9	22.3	8	17.5	17.9	average
Westvaco	●/●	13	10.9	13.5	41.6	7.7	21	4.3	10.6	14	5.0	35.0	very low
Willamette Inds	65/72	14	10.6	20.9	50.5	8.0	17	5.3	18.6	1	45.6	76.5	high
Longview Fibre	37/55	15	9.7	26.5	50.8	11.1	14	5.9	19.6	2	38.5	117.1	high
Gt Northern Nekoosa	●/●	16	9.3	20.3	91.0	7.7	11	7.9	17.9	19	–6.7	262.2	very low
Chesapeake	61/79	17	7.3	10.4	119.0	3.3	5	18.4	15.0	16	–2.5	142.6	very low
Potlatch	68/NA	18	7.2	18.3	58.4	8.4	23	3.0	2.3	9	16.1	94.2	low
Georgia-Pacific	31/21	19	6.4	16.9	40.6	5.3	12	6.3	16.0	4	20.0	76.9	average
Stone Container	26/NA	20	6.2	30.9	181.3	4.4	1	40.1	62.4		NM	500.0+	NM
Weyerhaeuser	41/43	21	6.1	13.0	41.6	6.2	16	5.6	22.4	13	5.7	81.1	low
Mead	69/76	22	5.5	13.6	69.9	3.5	25	2.1	39.3	15	–2.0‡‡	60.5	very low
International Paper	34/43	23	5.2	13.5	42.2	5.1	24	2.7	62.3	23	–11.8	131.8	low
Boise Cascade	41/55	24	4.6	10.1	61.8	4.2	19	5.2	2.2	3	20.0	80.3	very low
Champion Intl	76/79	25	3.8	14.0	64.2	8.1	15	5.7	–0.2		NM	119.3	NM
Industry medians			**10.9**	**15.0**	**50.8**	**6.2**		**6.1**	**16.0**		**5.7**	**80.3**	
All-industry medians			**12.8**	**13.6**	**48.6**	**4.3**		**6.8**	**8.3**		**5.3**	**13.9**	

● 90% or more. **DD:** Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. †Four-year average. ‡Four-year growth. ††Three-year average. ‡‡Three-year growth. For further explanation, see page 65.

RETAILING

Be thankful for small favors.



By Jeffrey A. Trachtenberg

IT WAS HARDLY A BANNER YEAR for this industry, as sales grew by only an estimated 6% in dollar terms. But the mere fact that there were increases at all is remarkable. Between January and midyear, debt-burdened consumers added $27 billion to their already heavy load, pushing the total consumer debt of the nation, not including mortgages, to $606 billion, the highest level in history. Much of that $27 billion went to keep cash registers ringing at many of the companies on this list.

With profits squeezed and many stocks overpriced, the takeover action of previous years all but disappeared. Beyond Carter Hawley Hale's recapitalization of $1.1 billion, and the spinoff of its Neiman-Marcus, Contempo Casuals and Bergdorf Goodman divisions, retailers did little wheeling and dealing. Says Walter Loeb, retail analyst with Morgan Stanley: "Evaluations were just too high to be attractive."

If consumers prove unwilling, or unable, to keep spending in 1988, this industry could be in for some real trouble. Harbingers abound. The Gap, for example, saw its stock slip 20 points in a week last September, owing in part to lowered earnings estimates. Also, as of mid-November, the Gap's total inventories were still $100 million higher than a year earlier. Biggest problem remains the Banana Republic division. Its "safari" motif has become old hat, and management is floundering for a replacement image. Latest idea—a general "travel" theme—looks like a classic case of stuck-in-a-rut thinking.

If consumer spending does slow, well-managed chains like Wal-Mart, Toys "R" Us, Tandy, the Limited and Nordstrom stand to gain market share on weaker rivals. "In boom times, everybody looks good," says James Posner, a retail consultant. "In bad times, the differences will be more stark." Margins will be squeezed for everyone, as well-capitalized biggies start cutting prices to move goods off shelves and

Bicoastal obsession

In 1987 this family-built and -managed firm emerged as the first West Coast apparel retailer with the ability to become a nationwide trendsetter. Indeed, Nordstrom appears poised to parlay its management skills into a company that may one day be as well known as Bloomingdale's and Saks Fifth Avenue. Since 1980 Seattle-based Nordstrom, Inc. has grown from sales of $346 million to an estimated $1.9 billion this year, while net earnings have more than quadrupled, to a projected $91 million. Growth has come from an obsession with serving the customer. The first lesson it teaches new employees is the value of polite service and a smile.

As if the idea of courteous salespeople were not itself an innovation, Nordstrom in 1987 invested in a transcontinental beachhead 3,000 miles away in Virginia. Whenever West Coast regional retailers have looked at such moves in the past, the costs and long-distance management difficulties have made the idea seem too risky. But Nordstrom is willing to bet that the company's obsession with customer service can make its stores stand out in the push-and-shove world of East Coast department store shopping.

Chris Covatta/Orange County Register

Bruce Nordstrom of Nordstrom

Thus, in March Nordstrom will open a behemoth store (205,000 square feet) filled with clothing, accessories and a few gift items in Tysons Corner, Va., not far from Washington. That opening is to be followed in 1989 by yet another store in Arlington, Va., less than ten miles away. "The two East Coast stores are a beachhead for further development," says Bruce Nordstrom, 54, cochairman since 1977. "There's no city in America without competition. We want to go to the best markets, wherever they are."

		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Apparel													
Limited	●/●	1	49.3%	20.7%	42.5%	7.4%	1	51.6%	18.7%	1	55.9%	29.5%	very high
Charming Shoppes	●/●	2	31.0	31.2	1.2	8.1	2	29.6	30.1	2	28.7	7.1	very high
Gap	●/●	3	25.1	37.2	5.1	8.3	6	14.6	27.6	3	27.3	63.2	average
Melville	33/32	4	22.8	20.4	4.5	4.6	7	13.7	10.2	7	11.2	11.0	very high
Petrie Stores	●/●	5	18.9	14.0	91.3	5.8	5	20.9	8.3	8	10.0	–10.9	high
Nordstrom	●/●	6	18.7	24.6	27.2	4.7	3	26.3	19.0	5	18.5	28.0	very high
Zayre	26/47	7	17.8	24.6	68.5	2.7	4	23.8	23.6	4	23.0	93.0	very high
US Shoe	61/52	8	15.2	8.3	27.2	1.9	8	13.6	9.0	11	–11.7	–4.2	low
Edison Bros Stores	37/45	9	15.1	5.2	32.2	1.3	11	3.9	3.8	10	–2.9	–56.9	very low
Hartmarx	54/DP	10	12.8	9.9	19.8	3.4	9	6.4	–1.4	9	0.6	22.4	very low
Phillips-Van Heusen	26/29	11	12.2	26.4	35.0	5.3	10	4.7	–12.8	6	18.4	142.4	high
Medians			**18.7**	**20.7**	**27.2**	**4.7**		**14.6**	**10.2**		**18.4**	**22.4**	
Catalog showrooms													
Spiegel	●/●	1	16.0%†	31.9%	157.9%	4.0%	2	19.5%‡	6.6%	1	46.2%‡	55.9%	average
Service Merchandise	●/●	2	9.8	def	262.5	def	1	21.7	10.1		NM	D-D	NM
Best Products	●/●	3	4.2	def	111.5	def	3	13.4	–6.9		NM	D-D	NM
Medians			**9.8**	**def**	**157.9**	**def**		**19.5**	**6.6**		**NM**	**NM**	
Department stores													
Dillard Dept Stores	●/●	1	21.8%	14.0%	57.5%	4.0%	1	27.6%	15.4%	1	29.6%	5.2%	very high
Mercantile Stores	●/●	2	17.1	15.7	25.3	5.8	7	9.6	7.2	5	13.5	11.6	very high
May Dept Stores	63/64	3	15.2	16.2	44.5	4.0	5	11.5	4.7	4	13.6	20.0	very high
Strawbridge	●/●	4	14.4	13.2	102.8	2.9	4	12.2	9.5	2	18.5	0.5	high
Federated Dept Strs	66/88	5	12.9	11.5	29.3	2.8	8	8.5	6.9	8	4.0	12.5	low
Sears, Roebuck	67/48	6	12.6	12.7	71.8	3.4	6	10.3	9.2	6	11.8	17.4	average
JC Penney	●/NA	7	12.6	13.7	56.4	3.6	9	5.1	6.5	9	3.3	23.2	low
Carson Pirie Scott	●/●	8	10.0	def	54.3	def	3	14.7	–26.3	7	6.7	P-D	very low
Mobil	11/4	9	9.3	7.1	49.0	2.2	13	–5.5	–1.8	11	–9.5	–34.1	average
Equitable of Iowa	46/25	10	8.7	7.3	8.5	3.8	12	–0.2	9.4	3	16.2	–49.8	average
Alexander's	●/●	11	6.2	1.6	52.9	0.3	11	0.2	0.5	10	–2.9‡	–54.2	very low
Carter Hawley Hale	●/●		NA	NA	NE	def	10	1.8	NA		NM	NA	NA
Neiman-Marcus Group	●/●		NA	NA	30.2	def	2	17.0‡	NA		NA	NA	NA
Medians			**12.6**	**12.7**	**49.0**	**2.9**		**9.6**	**6.9**		**9.3**	**5.2**	
Discount and variety													
Wal-Mart Stores	●/●	1	35.5%	33.2%	53.3%	3.8%	3	37.2%	36.1%	1	37.9%	41.1%	very high
Family Dollar Stores	●/●	2	28.5	17.6	0.0	4.4	5	23.0	14.9	3	29.8	–18.9	NM
Fred Meyer	66/NA	3	22.7†	14.1	55.2	1.6	11	11.8‡	6.2	2	32.7‡	3.4	high
Ames Dept Stores	●/●	4	20.2	6.1	35.4	1.2	2	41.1	11.6	7	15.4	–43.4	average
Dollar General	●/●	5	18.9	3.5	–70.8	0.6	6	20.7	4.3	13	–2.5	–60.0	very low
Zayre	57/58	6	17.8	24.6	68.5	2.7	4	23.8	23.6	4	23.0	93.0	very high
Rose's Stores	●/●	7	17.4	13.5	41.2	1.9	8	15.0	14.4	6	20.3	–9.8	high
Dayton-Hudson	78/72	8	17.2	14.2	69.1	3.1	9	14.0	7.1	9	13.1	10.0	very high
Stop & Shop Cos	48/51	9	17.1	8.5	81.6	0.9	10	13.4	7.2	12	–2.0	–14.3	very low
Jamesway	●/●	10	15.6	11.4	77.4	1.9	7	15.7	17.6	10	12.7	25.9	low
May Dept Stores	28/18	11	15.2	16.2	44.5	4.0	12	11.5	4.7	8	13.6	20.0	very high
K mart	●/●	12	13.8	20.6	62.0	2.7	13	8.4	6.2	11	12.7	160.7	low
FW Woolworth	65/48	13	6.6	16.0	22.5	3.4	15	–0.1	9.5	5	20.8‡‡	14.6	NM
Ross Stores	●/●	14	2.8†	def	104.2	def	1	90.3‡‡	25.6		NM	P-D	NM
Hills Dept Stores	●/●		NA	NE	NE	2.2	14	4.4‡	1.8		NA	NA	NA
Medians			**17.3**	**14.1**	**55.2**	**2.2**		**15.0**	**9.5**		**14.5**	**6.7**	
Drugs													
American Stores	21/NA	1	25.9%	13.7%	89.4%	1.1%	2	17.6%	1.3%	2	16.8%	0.3%	average
Walgreen	●/●	2	22.7	18.7	26.5	2.4	3	15.9	17.0	1	18.2	0.6	very high
Rite Aid	●/●	3	22.6	28.9	29.7	6.4	5	9.7	24.1	3	11.7	85.4	high
Longs Drug Stores	●/●	4	16.2	14.3	0.0	2.5	4	10.2	10.4	5	5.0	13.3	high
Perry Drug Stores	75/NA	5	12.6	def	176.5	def	1	27.8	14.5	4	7.2	P-D	low
Pacific Lighting	25/19	6	10.9	14.5	70.2	4.4	6	8.4	–3.1	6	–18.1	78.0	average
Pay'n Save	●/●		NA	def	359.0	def		NA	NA		NA	NA	NA
Medians			**19.4**	**14.3**	**70.2**	**2.4**		**13.0**	**12.4**		**9.5**	**6.9**	

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showroom floors.

Who gets hurt worst if the customers cut back? History shows that low-end retailers almost always suffer the steepest sales declines as less affluent shoppers snap shut their wallets and purses. Thus, look for pressure on stocks such as Ross Stores and Ames Department Stores. By contrast, chains that cater to the carriage trade almost always experience milder setbacks. Thus, any list of stormy weather retailing stocks for 1988 would have to include Nordstrom and Carter Hawley Hale.

Meanwhile, all U.S. retailers can expect increased competition from foreign firms like France's $8-billion-plus (retail sales) Au Printemps department store chain, which in 1987 opened a sprawling, 95,000-square-foot Denver specialty store. Printemps plans to open nine more units in the U.S. in the next ten years. Marks & Spencer, through its M&S Canada subsidiary, now operates 3,000-square-foot D'Allairds stores in Syracuse, Albany, Poughkeepsie and Watertown, N.Y. Italy's ubiquitous Benetton chain (the bane of any parent of a teenage daughter) has licensed more than 700 stores nationwide since 1979. Britain's Laura Ashley chain has more than 135 outlets nationwide. With the exception of Marks & Spencer, which has always catered to the cost-conscious, all are skimming off affluent customers who would otherwise leave their money in stores like Bloomingdale's, Macy's and the Limited. ■

		Profitability					**Growth**						
		Return on equity					**Sales**			**Earnings per share**			
Company	**% in —segment— sales/profits**	**rank**	**5-year average**	**latest 12 months**	**debt as % of equity**	**net profit margin**	**rank**	**5-year average**	**latest 12 months**	**rank**	**5-year average**	**latest 12 months**	**earnings stability**
Jewelry													
Jostens	45/NA	1	21.7%	31.9%	85.9%	7.5%	1	11.2%	2.1%	1	8.5%	29.0%	very high
Gordon Jewelry	●/DD	2	8.0	def	5.3	def	2	0.6	–20.6	2	–15.5	P-D	average
Medians			**14.9**	**12.1**	**45.6**	**1.3**		**5.9**	**–9.3**		**–3.5**	**NM**	
Shoes													
Melville	29/33	1	22.8%	20.4%	4.5%	4.6%	1	13.7%	10.2%	2	11.2%	11.0%	very high
Edison Bros Stores	63/55	2	15.1	5.2	32.2	1.3	2	3.9	3.8	4	–2.9	–56.9	very low
Brown Group	44/NA	3	13.6	12.3	35.5	2.9	3	0.8	10.2	5	–5.7	51.3	low
Interco	25/24	4	8.8	9.4	13.6	4.2	5	–0.6	22.2	3	–2.4	13.9	very low
FW Woolworth	28/50	5	6.6	16.0	22.5	3.4	4	–0.1	9.5	1	20.8‡‡	14.6	very high
Genesco	47/32	6	def	24.0	64.6	4.1	6	–5.1	14.6		NM	D-P	NM
Medians			**11.2**	**14.1**	**27.4**	**3.8**		**0.4**	**9.9**		**–2.6**	**14.2**	
Miscellaneous													
Highland Superstores	●/●	1	64.4%	13.3%	53.8%	2.2%	6	39.3%	15.1%	3	57.2%	–38.5%	NM
Price Co	●/●	2	50.7	24.3	52.2	2.3	4	64.9	24.9	2	61.9	20.0	very high
Home Depot	●/●	3	40.4	23.5	10.5	3.2	3	81.0	43.0	4	27.5‡	114.3	average
Circuit City Stores	●/●	4	31.7	28.1	76.0	3.6	5	42.0	42.1	1	63.2	64.3	very high
Tandy	69/NA	5	27.4	19.5	14.1	7.4	14	12.2	13.4	12	4.2	30.9	very low
Toys "R" Us	●/●	6	23.0	16.9	18.9	6.1	9	25.2	26.1	9	22.4	32.6	very high
General Host	68/DP	7	20.7	30.4	55.9	10.4	17	4.3	–4.2	14	–0.8	71.0	very low
Hechinger	●/●	8	19.3	17.1	108.6	5.3	10	23.8	23.2	7	23.1	33.7	very high
Pep Boys	●/●	9	18.9	29.7	46.6	6.3	13	15.2	18.5	10	16.0	140.4	very high
Lowe's Cos	●/●	10	17.7	10.8	28.8	2.4	12	22.1	7.6	6	23.1	–7.0	high
Sherwin-Williams	65/41	11	17.6	22.5	20.2	6.5	20	1.8	–21.9	8	22.5	44.3	very high
Payless Cashways	●/●	12	17.4	11.2	32.3	2.4	8	27.9	14.3	11	9.0	–2.4	average
Intermark	80/89	13	13.7	3.7	499.3	0.5	7	30.3	10.4		NM	D-P	NM
Brown Group	25/24	14	13.6	12.3	35.5	2.9	21	0.8	10.2	15	–5.7	51.3	low
Scotty's	●/●	15	12.8	6.5	28.8	2.1	15	11.8	3.6	13	–0.3	–9.5	very low
Alberto-Culver	32/18	16	7.4	15.3	31.1	3.5	16	9.9	0.0	16	–5.8	88.2	very low
Primerica	48/27	17	6.5	18.9	141.3	6.3	23	–7.0	–21.7	5	27.0‡‡	22.6	very high
Businessland	●/●	18	def†	11.8	90.6	1.7	2	237.4‡‡	44.2		NA	200.0	NM
PACE Membership	●/●	19	def†	0.7	56.9	0.1	1	242.8‡‡	74.7		NA	D-P	NM
Grossman's	●/●	20	def†	44.4	185.2	1.1	22	–5.1	–15.7		NM	D-P	NM
Wickes Cos	56/43	21	def††	13.7	171.8	2.6	19	3.9	40.2	17	–44.6‡‡	114.8	average
Child World	●/●		NA	5.4	16.1	1.5	11	22.9	25.4		NA	0.0	NA
Costco Wholesale	●/●		NA	4.1	147.4	0.3		NA	83.7		NA	–6.7	NA
Home Shopping	●/●		NA	58.9	357.6	5.1		NA	263.5		NA	50.0	NA
Western Auto Supply	●/●		NA	500.0+	321.3	0.9	18	4.2	20.6		NA	NA	NA
Medians			**17.6**	**16.9**	**53.8**	**2.6**		**22.1**	**18.5**		**16.0**	**47.1**	
Industry medians			**16.1**	**14.0**	**52.5**	**2.7**		**13.6**	**10.1**		**11.8**	**14.6**	
All-industry medians			**12.8**	**13.6**	**48.6**	**4.3**		**6.8**	**8.3**		**5.3**	**13.9**	

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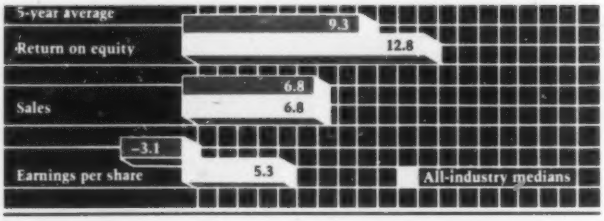
SURFACE TRANSPORTATION

In a cutthroat industry it was enough simply to survive.



By Jonathan Clements

DURING 1987 ONE PHRASE said it all—rate-slashing—and the result was earnings erosion for just about every company in this industry. Could it get worse in 1988? Yes for rails, maybe for trucks.

In 1988 Congress is likely to fiddle with the Staggers Act, which authorized the deregulation of the railroads in 1980. A new bill, which would push rail rates down further, is already

Yardsticks of management performance		**Profitability**					**Growth**						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Railroads													
Norfolk Southern	32/●	1	11.0%	8.5%	14.1%	3.5%	6	3.3%	–0.5%	2	–0.1%	–13.2%	very low
American Standard	27/26	2	10.5	14.6	35.9	3.6	3	6.8	4.9	3	–3.1	38.3	very low
Kansas City Southern	66/●	3	9.4	def	63.7	def	5	6.3	7.3		NM	P-D	NM
Burlington Northern	54/PD	4	8.0	9.5	79.6	5.3	2	14.0	–11.9		NM	D-P	NM
Santa Fe Southern	75/36	5	7.2	0.2	33.7	def	9	–1.0	–5.6		NM	–96.1	NM
CSX	75/66	6	7.0	8.2	67.0	5.3	4	6.8	14.8		NM	D-P	NM
Union Pacific	58/PD	7	5.6	15.[illegible]	67.6	10.2	7	2.8	–19.4		NM	D-P	NM
CNW	●/●	8	4.0	10.9	135.3	4.7	8	0.7	–0.2		NM	500.0+	NM
Trinity Industries	33/33	9	2.5	2.3	109.4	0.7	11	–5.1	12.8		NM	–42.5	NM
Soo Line	●/●	10	0.4	def	146.2	def	1	17.6	–4.8		NM	D-D	NM
GATX	41/53	11	def	16.1	500.0+	6.9	12	–13.7	–4.4		NM	83.1	NM
Consolidated Rail	●/●	12	NE	NE	23.8	8.5	10	–4.8	2.1	1	44.0	–19.7	average
Medians			**6.3**	**8.3**	**67.3**	**4.2**		**3.0**	**–0.4**		**NM**	**12.5**	
Trucking and leasing													
Minstar	30/3	1	26.7%	1.4%	52.5%	0.5%	1	136.8%	–43.3%	1	86.3%	–91.5%	average
Carolina Freight	●/●	2	19.6	9.7	64.3	2.0	2	19.5	3.9	4	18.3	–33.7	NM
Ryder System	80/86	3	17.6	15.5	190.3	4.2	5	13.2	22.3	5	13.0	12.9	very high
Yellow Freight Sys	●/●	4	17.1	10.7	33.1	2.3	3	14.5	4.2	2	40.2	–43.1	high
Roadway Services	●/●	5	17.0	8.8	0.0	3.2	7	9.6	6.9	6	0.7	–23.4	very low
Consol Freightways	87/●	6	13.6	11.5	8.1	3.4	4	14.3	8.0	9	–0.6	–13.9	very low
Arkansas Best	81/71	7	10.0	6.3	137.1	1.0	6	11.8	7.1	3	28.3‡‡	–65.8	NM
RLC	●/●	8	9.3	3.9	291.5	1.1	8	6.5	5.3	8	–0.3	–64.4	very low
Constar Intl	NA/NA	9	8.1	9.3	108.5	1.8	9	–1.3	–19.9	7	0.4‡‡	–34.1	very low
Gelco	●/●	10	3.4	def	500.0+	1.7	10	–1.7	–0.9		NM	D-D	NM
IU International	54/18	11	0.8	9.5	70.3	1.5	11	–6.4	–5.4		NM	D-P	NM
Medians			**13.6**	**9.3**	**70.3**	**1.8**		**11.8**	**4.2**		**0.7**	**–34.1**	
Other surface													
Alexander & Baldwin	70/76	1	16.1%	22.3%	64.5%	19.8%	2	7.4%	22.4%	1	29.2%	37.9%	very high
American President	●/71	2	13.5††	12.2	53.9	4.3	1	18.7	29.6	2	–21.3‡	500.0+	very low
Medians			**14.8**	**17.2**	**59.2**	**12.1**		**13.0**	**26.0**		**3.9**	**500.0+**	
Industry medians			**9.3**	**9.3**	**67.0**	**3.2**		**6.8**	**3.9**		**–3.1**	**–19.9**	
All-industry medians			**12.8**	**13.6**	**48.6**	**4.3**		**6.8**	**8.3**		**5.3**	**13.9**	

● 90% or more. **DD:** Segment deficit, total deficit. **DP:** Segment deficit, total profit. **PD:** Segment profit, total deficit. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. †Four-year average. ‡Four-year growth. ††Three-year average. ‡‡Three-year growth. For further explanation, see page 65.

at committee stage. Railroad men also fear that union pressure could lead to an amendment granting featherbedding protection to workers affected by the spinoff of branch lines, of which there have been 160 since the start of the decade.

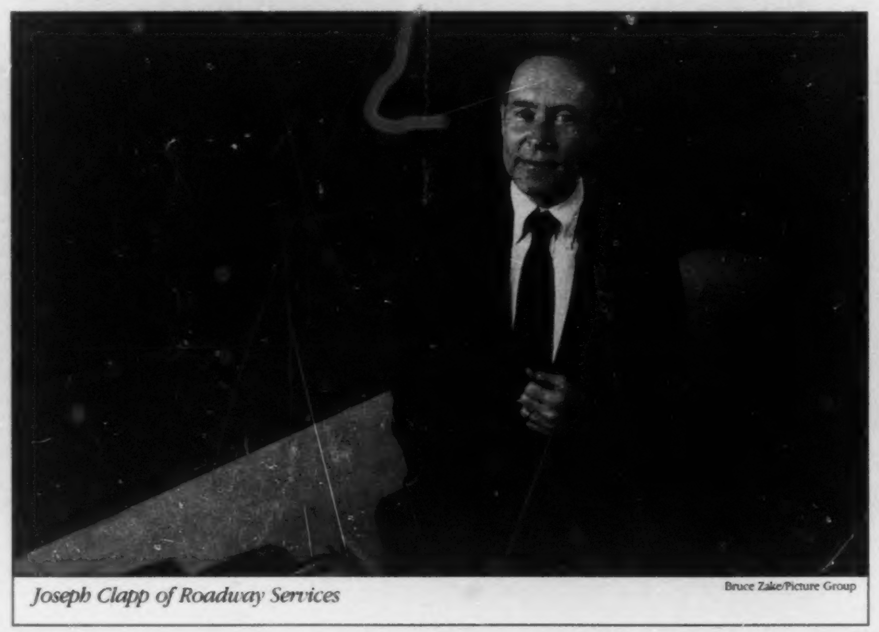
Since revenues look unlikely to improve in 1988, railroads are attacking costs. Two rails—CSX and CNW—are currently negotiating new independent labor contracts. Other railroad executives are watching anxiously, hoping too much isn't given away.

With earnings prospects bleak, some railroads are attempting to turn themselves into one-stop transportation companies. In 1986 CSX purchased Sea-Land, a leading containership operator, and Union Pacific acquired Overnite Transportation, the fifth-largest trucker. CSX also owns American Commercial Lines, one of the country's largest barge operators, and Texas Gas, a major natural gas transportation company. In 1985 Norfolk Southern bought North American Van Lines, and in 1987 it made a bid for Piedmont Aviation, only to lose out to USAir.

Among the truckers, rate-cutting has been most devastating in the less-than-truckload (LTL) segment of the market. The number of general freight carriers has more than doubled in the past eight years, to 36,000, but most of these companies are mom-and-pop operations that stick to the truckload market.

The LTL market, by contrast, is now dominated by the big three—Consolidated Freightways, Roadway Services and Yellow Freight—which together account for a third of the market. Market concentration is likely to grow, especially if rate-cutting and the resulting bankruptcies continue. McLean Trucking closed its doors in 1986, Milne Truck Lines in 1987. Analysts expect a top-ten trucking company to close soon, possibly in 1988. That will mean more market share for the survivors, and possibly also an easing of rate pressure. ■

In the passing lane



Joseph Clapp of Roadway Services

Bruce Zake/Picture Group

One trucking service is much like another. There is little customer loyalty, no brand names, and costs are about the same for everyone. So how does a competitor go about increasing its market share? That was the question facing Roadway Services President Joseph Clapp after his company had been toppled in 1986 by archrival Yellow Freight from its position as the U.S.' largest general freight carrier. Over the previous two years, while Roadway pursued an ambitious plan to set up a package service to rival that of UPS, Yellow Freight and other major less-than-truckload carriers had grabbed the bulk of the new trucking tonnage.

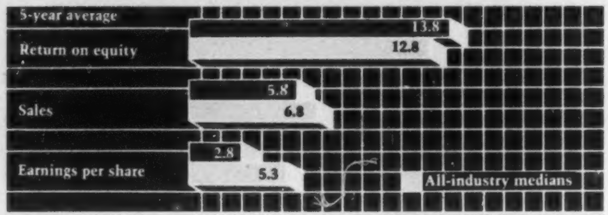
In late 1986 Clapp struck back, using a business approach favored by Japanese, Korean and Taiwanese exporters: He "bought" market share through aggressive pricing. Moreover, with no long-term debt, and $315 million in cash, Clapp had all the staying power he needed.

Trucking rates quickly fell to 1981 levels, while Roadway's tonnage jumped 17% in the past year. The gain partly reflected improved service, but there was a kind of bandwagon effect involved as well. Clapp had the financial muscle to regain market share at the expense of his rivals. Also, shippers have grown fearful that their cargoes could get tangled up in a messy trucking bankruptcy proceeding if they shipped with rivals, and have pushed more business than ever in Roadway's direction.

Rates lately seem to have stabilized. If they stay firm into 1988 and the economy doesn't slacken, Roadway investors will reap a big reward. Though still below their 1984 peak, earnings per share should jump by an industry-best 50% this year.

TELECOMMUNICATIONS

Profits grow as companies target commercial customers over individuals.



By Patrice Duggan

If stock prices were all that mattered, 1987 was a ho-hum year for the companies in this industry. Overall, shares performed slightly below market averages, though earnings, while lagging behind those of other industries, grew steadily. Yet for all the seeming calm, technological change swept through equipment makers, and marketing opportunities opened up everywhere.

For the major long-distance carriers, Federal Communications Commission-mandated price-cutting continued, wearing away MCI and US Sprint price advantages and forcing them to look for new ways to increase market share. The strategy? Go after commercial clients more concerned about quality service than discount prices. MCI introduced a string of new services for business clients, and US Sprint touted the clarity of signals carried on its new fiber-optics network.

In spite of earlier worries that AT&T would emerge from divestiture as a floundering, hapless giant in long-distance service, 1987 showed the company healthy and resilient, with estimated 1987 earnings per share up to $1.45, from 21 cents in 1986. (A writeoff of $3.2 billion in the last quarter of 1986 followed layoffs and cost-cutting moves.)

By contrast, US Sprint still hasn't recovered from the disruptive effects of the merger of GTE and United Telecommunications in July 1986. In 1987's second quarter alone, operating losses were $282 million on sales of only $546 million.

During 1987 local service providers pushed the limits of

Yardsticks of management performance		Profitability					Growth						
		Return on equity					Sales			Earnings per share			
Company	% in —segment— sales/profits	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months	earnings stability
Carriers													
Centel	61/84	1	16.0%	11.6%	91.2%	7.6%	9	5.8%	9.1%	13	1.5%	–20.0%	very low
PacifiCorp	23/15	2	15.8	14.9	101.9	12.5	3	10.5	7.7	8	3.5	12.8	low
Contel	61/●	3	15.7	13.5	115.4	7.0	2	13.5	–3.2	3	7.0	–12.9	high
MCI Communications	●/●	4	15.3	def	207.2	def	1	43.1	12.6		NM	P-D	NM
Ameritech	●/●	5	15.2††	17.0	57.3	12.1	15	1.8‡‡	2.1	10	2.9‡‡	18.7	average
BellSouth	●/●	6	14.8††	16.2	52.9	13.4	13	3.3‡‡	5.7	9	3.0‡‡	11.5	low
Bell Atlantic	●/●	7	14.4††	14.8	57.7	11.9	10	4.6‡‡	6.8	7	3.9‡‡	6.0	average
Alltel	78/●	8	14.3	12.4	94.1	9.1	4	8.0	4.8	11	2.8	–17.9	low
Pacific Telesis	●/●	9	14.1††	14.0	66.2	12.1	11	4.3‡‡	0.4	1	14.5‡‡	3.3	very high
Nynex	●/●	10	14.0††	14.0	60.6	10.5	12	4.3‡‡	8.5	4	5.9‡‡	3.5	high
Southwestern Bell	●/●	11	13.8††	18.7	69.8	13.0	16	1.0‡‡	–0.7	5	4.2‡‡	50.2	high
US West	●/●	12	13.8††	13.1	64.3	11.4	14	2.6‡‡	1.7	12	1.9‡‡	0.6	high
Cincinnati Bell	●/●	13	13.7	18.0	72.7	11.6	8	6.3	8.7	2	12.0	10.7	very high
So New England Tel	●/●	14	13.4	13.7	61.8	9.5	7	7.2	2.4	6	4.2	7.1	average
GTE	74/●	15	12.2	13.3	110.8	6.9	6	7.4	–0.2		NM	D-P	NM
United Telecom	84/●	16	10.7	def	181.3	def	5	7.4	–6.7	14	–27.3	P-D	average
American Tel & Tel	●/●	17	7.2††	2.4	51.1	1.1		NA	–3.3		NA	–81.1	NM
Western Union	●/●	18	def	NE	NE	def	17	0.4	–18.1		NM	D-D	NM
Medians			**14.1**	**13.8**	**68.0**	**10.0**		**5.8**	**2.2**		**3.0**	**3.4**	
Manufacturing													
Motorola	37/58	1	11.3%	9.7%	11.7%	4.2%	2	12.7%	13.3%	1	–9.0%	48.2%	very low
M/A-Com	NA/NA	2	8.6	def	40.9	def	3	5.4	–24.5	2	–15.2	P-D	average
Penn Central	27/PD	3	6.7	5.7	2.9	7.6	4	–6.5	–33.7		NM	21.9	NM
TIE/Communications	●/●	4	4.9	def	8.2	def	1	20.2	–18.3		NM	D-D	NM
Medians			**7.7**	**–2.1**	**10.0**	**–2.0**		**9.0**	**–21.4**		**NM**	**NM**	
Industry medians			**13.8**	**13.2**	**63.0**	**8.4**		**5.8**	**1.9**		**2.8**	**3.4**	
All-industry medians			**12.8**	**13.6**	**48.6**	**4.3**		**6.8**	**8.3**		**5.3**	**13.9**	

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their allowed rate of return and looked increasingly for diversification opportunities. Regional telephone companies have already entered nonregulated areas like cellular service and publishing Yellow Pages outside of their regions, yet earnings still come mostly from regulated phone service.

For equipment manufacturers, 1987 was tumultuous, as some markets emerged out of nowhere while others faded away. Those companies providing software-intensive equipment, like T1 networking equipment, fared far better than those providing standard office and home telephone equipment, such as TIE/Communications, where a maturing market saw slower demand.

Consolidation and acquisition among equipment makers is stepping up. Unisys' bid for Timeplex (sales, $147 million) represents the urgent need small, innovative companies have to gain access to resources for research and marketing in an industry always one step ahead of itself.

What's ahead? Until now, rates for long-distance carriers have been set by a formula that allows only a certain, fixed return on shareholder equity. But in 1987 the FCC recommended adopting a new, more liberal rate-setting formula that allows the carriers to increase their profits by simply cutting costs. If the proposal goes into effect in the next year, which now seems likely, it could influence regulators of local companies as well. MCI and US Sprint are hoping that, free to pursue higher profits, AT&T will be more likely to cut its costs than its prices to customers—which means wider margins for everyone. ■

Pinch-hit hero

V. Orville Wright of MCI Communications Corp.

Katherine Lambert

Telephone companies large and small all want to move more aggressively into commercial markets. But only MCI Communications Corp. has demonstrated the managerial innovation and flexibility to wheel out the new products necessary to make the switch.

Thanks go to V. Orville Wright, former MCI president and current co-chief-executive. Wright came out of 18 months of retirement to take over for MCI's affable chairman, William McGowan, who underwent a heart transplant in the spring.

Suffering from lower rates and higher access charges in the wake of "equal access," as ordered by the courts, MCI hit bottom in 1986, with losses of $448 million. By February 1987 its stock traded at $5 per share, down 82% from its alltime high of 27¾ in June 1983. But the company's turnaround strategy was about to pay off big: Go after commercial accounts rather than the less profitable residential market.

The first step in the strategy had been to retrain old and hire new sales people prepped to deal with major corporate clients. Next, the company added a new toll-free service, which provides more detailed billing information, and a WATS-type service with flexible billing based on frequency and distance of usage. Finally, MCI increased the number of countries that its service reaches. Operator-assisted dialing for international calls has also been announced.

What has all this brought MCI? In 1987 the company landed contracts with the Pentagon (taking substantial business from AT&T), United Airlines, Westinghouse and J.C. Penney. While most analysts anticipated that MCI would be lucky to break even in 1987, earnings of 30 cents per share are expected, and Robert Morris of Prudential-Bache Capital Funding believes that figure could nearly triple in the next 12 to 18 months. Meanwhile, MCI's stock has almost doubled since February, outperforming the market as well as its major competitors.

WHO'S WHERE IN GROWTH

Yes, 1987 annual reports looked better than they had in years. But after 1987 come 1988 and 1989.

By Steve Kichen

WALL STREET'S PLUNGE CAME TOO LATE for any ripple effects to damage 1987 earnings. Latest-12-month per-share earnings leaped to a median 13.9% for this list, vs. 2.8% the year before. Long-term earnings performance improved dramatically. The median company in last year's report had a five-year average change in earnings of –0.9%. The figure is now up to 5.3%. Of the 731 companies ranked in the following table, 16.3% show five-year average earnings growth of 25% or better, vs. 13.7% of the firms in 1986. Results for latest-12-month earnings: 27.4% of the corporations have 12-month earnings growth of 25% or more, compared with about the same for 1986.

Right after the crash, security analysts began working overtime to chop 1988 earnings estimates. According to Stan Levine, vice president of New York-based Lynch, Jones & Ryan, a brokerage firm that publishes the Institutional Brokers Estimate System, Wall Street analysts drastically cut estimates for transportation, financial services and consumer durables companies. Drug companies, computer software service companies and a few other groups showed improvement. "Most strategists are not predicting a recession, just a slowing in the rate of economic growth," says Levine. According to Levine, economic strategists expect earnings of the companies in the S&P 500 index to be up 12.7% over estimated 1987 earnings, compared with a 19.6% rise from 1986 to 1987. Is Wall Street too optimistic?

Of the top 100 corporations ranked by five-year sales growth, 18 are from the banking industry. Leading the banks is Los Angeles-based Columbia Savings & Loan Association, ranked 8th overall. Retailing takes second place, with 15 companies. Only a few manufacturers were on top. Triangle Industries, which has grown by acquiring other packaging companies, is ranked 23rd. Competitor Stone Container is in 42nd place.

When growth rates cover only a three- or four-year period instead of the regular five-year stretch, the figures can be unusually high. Such instances are footnoted in the tables. Fourth-ranked Singer, for example, has long-term average earnings growth of 126.9%. But this is only a three-year rate. Singer has been around for over a century, so why does it have a shortened earnings growth rate span? In 1982 the company lost $1.63 per share. So the growth rate had to start with 1983, a year in which Singer made a partial recovery. Thus Singer's 126.9% average annual earnings growth rate reported here is an aberration and cannot be maintained for long.

In fact, of the 50 top-ranked companies in the following table, only 7 show latest-12-month earnings exceeding their five-year average growth rates. Twenty of the 50 show either a negative change in latest-12-month earnings or have gone from a profit to a deficit condition.

Companies in startup situations can have particularly distorted growth rates. Top-ranked Reebok International went from sales of less than $1 million in 1980 to over $1 billion in 1987. Reebok's four-year earnings growth rate starts in 1983, when earnings were only 1 cent per share. The next year earnings rose to 8 cents, a 700% rise. (In this issue any annual growth rate greater than 500% is marked 500+.) Will Reebok stay on top? Consider this: In 1983 Nike was the hot shoe, and that company took second place with five-year average sales growth of 98%. Where is Nike now? It is ranked 644th with a five-year average change in earnings of –4.7%. ■

WHO'S WHERE IN GROWTH

Company	Earnings per share rank	 5-year average	 latest 12 months	Sales rank	 5-year average	 latest 12 months
Reebok International	1	200+%‡	25.9%	1	292.5%	63.7%
US Healthcare	2	158.0‡	56.6	11	80.9‡	19.6
Sun Microsystems	3	130.4‡‡	87.9	4	190.2‡‡	137.8
Singer	4	126.9‡‡	37.9	962	–7.1	–2.9
Compaq Computer	5	124.8‡‡	120.6	13	75.2‡‡	64.6
Emerson Radio	6	119.9	P-D	19	63.2	12.6
CalFed	7	106.8‡	–5.0	103	26.7	3.8
Chrysler	8	104.6‡	1.9	157	19.8	11.4
TW Services	9	93.3‡‡	–46.9	307	12.8	14.3
Nacco Industries	10	93.2	4.2	579	5.9	–14.6
Minstar	11	86.3	–91.5	6	136.8	–43.3
Trinova	12	76.3	P-D	451	8.7	0.2
Tyson Foods	13	75.5	34.7	117	25.1	18.8
Homestead Financial	14	75.5	–22.7	25	52.6	–1.5
Fleetwood Enterprise	15	74.7	16.8	110	26.0	7.8
Reliance Group	16	73.8‡	500.0+	228	16.1‡	17.5
Jim Walter	17	72.4	10.2	697	3.9	2.8
American Continental	18	71.4	–2.5	100	27.6	–10.1
NWA	19	67.2	46.2	283	13.6	65.3
Hasbro	20	66.3	–42.3	12	79.6	1.2
Circuit City Stores	21	63.2	64.3	38	42.0	42.1
Price Co	22	61.9	20.0	16	64.9	24.9
Kellwood	23	60.4	13.6	885	–2.5	14.7
Highland Superstores	24	57.2	–38.5	44	39.3	15.1
Limited	25	55.9	29.5	26	51.6	18.7
Del E Webb	26	55.6	P-D	941	–5.7	–5.1
Liz Claiborne	27	54.6	37.4	29	48.6	33.7
General Public Utils	28	54.3	39.0	563	6.3	–4.1
Gt Western Financial	29	53.8‡‡	–18.4	77	28.9	16.3
Intergraph	30	52.4	–8.8	30	47.5	–0.1
HF Ahmanson	31	51.4‡‡	–25.5	261	14.5	–12.8
General Motors	32	51.4	–16.1	326	12.1	–1.0
Mayfair Super Markets	33	49.6	43.7	548	6.7	13.1
Kay	34	49.1‡	–31.4	634	4.8	–24.1
Holly Corp	35	49.0	–92.1	929	–5.1	–19.2
Ryland Group	36	48.6	41.0	115	25.5	31.2
First Federal Mich	37	48.3‡‡	–19.6	90	28.1	0.1
CalMat	38	47.8	79.5	227	16.1	54.9
Wetterau	39	47.4	5.7	253	14.7	2.4
Cray Research	40	46.6	19.0	39	41.4	21.8
Marion Laboratories	41	46.5	129.5	104	26.7	47.3
ICH	42	46.5	–31.9	14	70.0	56.2
Spiegel	43	46.2‡	55.9	161	19.5‡	6.6
Berkshire Hathaway	44	46.0	–60.2	57	33.3	21.3
Willamette Inds	45	45.6	76.5	610	5.3	18.6
General Motors EDS	46	45.2	17.8	22	59.9	1.5
Manufacturers Natl	47	44.8	–34.3	795	1.5	6.0
Shaw Industries	48	44.5	57.3	140	21.3	24.0
Southmark	49	44.5	0.0	18	63.7	42.9
Progressive	50	44.2‡‡	3.1	107	26.5	42.8
Consolidated Rail	51	44.0	–19.7	921	–4.8	2.1
Western S&L	52	43.1‡‡	–51.5	146	20.8	8.2
Gt Am First Savings	53	42.6‡‡	15.4	113	25.7	21.1
Smithfield Foods	54	41.0	–18.5	82	28.7	13.2
Telex	55	40.6	3.9	55	34.7	11.9
Macmillan	56	40.5	16.9	233	15.7	18.7
Yellow Freight Sys	57	40.2	–43.1	260	14.5	4.2
Sequa	58	40.0	500.0+	913	–3.9	91.7
Harcourt Brace	59	40.0	P-D	317	12.4	26.6
Student Loan	60	39.6	31.8	222	16.3	10.3
American Family	61	39.5	40.8	147	20.8	40.1
USG	62	39.0	33.3	219	16.4	7.6
Longview Fibre	63	38.5	117.1	576	5.9	19.6
GlenFed	64	38.4‡‡	32.7	133	22.7	11.0
Time Inc	65	38.4	–45.9	312	12.6	11.0
Golden West Finl	66	38.4%‡‡	–8.0%	194	17.6%	–5.8%
Ramada	67	38.2‡‡	–7.1	443	8.9	14.8
Wal-Mart Stores	68	37.9	41.1	50	37.2	36.1
Kaufman & Broad	69	37.6‡‡	54.5	167	19.4	35.9
Home Federal S&L	70	36.9‡‡	–6.0	202	17.1	4.2
Bausch & Lomb	71	35.9	12.5	618	5.2	22.1
Ralston Purina	72	35.8	35.4	758	2.6	6.4
Super Food Services	73	35.4	13.5	546	6.7	7.9
Armstrong World Inds	74	34.5	26.1	511	7.6	22.0
CNA Financial	75	34.5	–17.5	252	14.8	22.2
Northrop	76	34.5	11.4	126	23.7	8.6
Tribune	77	34.2	–60.6	459	8.5	6.1
Great A&P Tea	78	33.5‡	51.0	538	7.0	32.9
Geico	79	33.0	14.5	264	14.4	11.7
Fred Meyer	80	32.7‡	3.4	339	11.8‡	6.2
Rohr Industries	81	32.6	–43.3	745	2.9	6.0
Centex	82	32.4	–38.8	475	8.2	–6.2
Esselte Business Sys	83	32.1	29.4	301	12.9	28.4
Arvin Industries	84	30.9	4.8	231	15.9	59.3
Manor Care	85	30.5	10.3	58	33.1	4.5
Reynolds & Reynolds	86	30.1	–21.7	275	13.8	39.3
SCI Systems	87	30.1	16.5	21	60.6	25.7
Family Dollar Stores	88	29.8	–18.9	131	23.0	14.9
Dillard Dept Stores	89	29.6	5.2	98	27.6	15.4
Grumman	90	29.4	–22.9	295	13.2	–1.7
Alexander & Baldwin	91	29.2	37.9	522	7.4	22.4
Columbia S&L Assoc	92	29.2‡	–13.6	8	98.8	12.8
Nashua	93	29.1‡‡	5.7	796	1.5	18.0
Washington Post	94	28.8	64.4	391	10.2	9.5
Godfrey	95	28.7	38.4	486	8.0	7.8
Charming Shoppes	96	28.7	7.1	72	29.6	30.1
Arkansas Best	97	28.3‡‡	–65.8	340	11.8	7.1
American Natl Ins	98	28.1	26.8	664	4.5	7.5
Charter Medical	99	28.0	14.2	129	23.4	22.0
Primark	100	27.9	–2.3	832	0.1	–16.6
Tele-Communications	101	27.8	–34.7	85	28.4	127.5
Comdisco	102	27.8	18.3	176	18.7	35.2
MDC Holdings	103	27.7	–44.9	17	64.9	24.9
Arden Group	104	27.5	39.9	933	–5.2	–10.3
Home Depot	105	27.5‡	114.3	10	81.0	43.0
Florida Natl Banks	106	27.3	–50.5	158	19.7	2.4
Gap	107	27.3	63.2	256	14.6	27.6
Subaru of America	108	27.3	–92.5	232	15.8	–1.0
Primerica	109	27.0‡‡	22.6	959	–7.0	–21.7
General Cinema	110	26.8	27.0	715	3.5	4.1
Food Lion	111	26.7	33.3	89	28.1	27.5
Laidlaw Industries	112	26.7	7.1	70	29.9	149.8
Philips Industries	113	26.3	21.0	162	19.5	15.8
Monarch Capital	114	25.8	–12.2	28	48.9	88.4
Airborne Freight	115	25.7	14.8	249	15.0	16.2
First Union	116	25.3	8.9	200	17.2	46.5
Squibb	117	25.2	201.6	679	4.3	–4.9
Signet Banking	118	25.1	–66.4	360	11.3	13.3
Loews	119	25.0	–6.6	299	12.9	13.3
Circle K	120	24.8‡‡	–2.3	84	28.5	8.9
Echlin	121	24.6	–20.7	208	16.8	21.9
Maytag	122	24.5	42.0	350	11.5	7.5
Waste Management	123	24.5	107.0	149	20.7	35.7
Dibrell Brothers	124	24.2	P-D	842	–0.2	1.3
Torchmark	125	23.5	5.0	152	20.6	5.6
Lowe's Cos	126	23.1	–7.0	137	22.1	7.6
Bruno's	127	23.1	10.3	223	16.3	13.0
Hechinger	128	23.1	33.7	124	23.8	23.2
Zayre	129	23.0	93.0	125	23.8	23.6
First of America Bk	130	22.7	5.8	394	10.1	27.8

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available. NM: Not meaningful. ‡Four-year growth. ‡‡Three-year growth.

WHO'S WHERE IN GROWTH

	Earnings per share			Sales		
Company	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months
Herman Miller	131	22.7%	–2.1%	220	16.4%	13.0%
Kelly Services	132	22.6	26.8	151	20.7	12.1
Sherwin-Williams	133	22.5	44.3	788	1.8	–21.9
Polaroid	134	22.5	71.8	778	2.0	14.2
Seagate Technology	135	22.4	121.2	7	106.6	78.1
Toys "R" Us	136	22.4	32.6	116	25.2	26.1
CoreStates Financial	137	22.4	–2.8	328	12.1	25.1
Shearson Lehman	138	22.3‡	NA	51	36.1‡	21.5
Times Mirror	139	22.2	–15.5	507	7.6	4.7
Talley Industries	140	21.9‡‡	P-D	858	–0.8	–12.9
Life Investors	141	21.5	–9.9	177	18.6	37.1
Kraft	142	21.5‡	23.8	815	0.6	23.1
Foodarama	143	21.4	–28.7	780	2.0	2.2
New York Times	144	21.3	18.7	291	13.4	8.3
CertainTeed	145	20.9‡‡	4.7	561	6.3	2.5
No'western Natl Life	146	20.9	1.0	27	50.5	15.8
Louisiana-Pacific	147	20.8‡‡	105.3	424	9.4	27.1
FW Woolworth	148	20.8‡‡	14.6	834	–0.1	9.5
Pueblo International	149	20.5	19.2	483	8.0	20.5
Capital Holding	150	20.4	10.7	184	18.0	44.7
Ingles Markets	151	20.4‡	–3.1	333	11.9‡	12.0
Commerce Bcshs	152	20.3	4.7	453	8.6	–5.5
Rose's Stores	153	20.3	–9.8	250	15.0	14.4
Pfizer	154	20.1	10.8	569	6.1	10.0
Boise Cascade	155	20.0	80.3	614	5.2	2.2
Georgia-Pacific	156	20.0	76.9	562	6.3	16.0
Safeco	157	19.9	38.4	348	11.5	2.3
Giant Food	158	19.8	–15.2	482	8.0	13.2
Brockway Inc (NY)	159	19.7	27.2	529	7.2	0.8
Deluxe Check	160	19.6	21.5	353	11.5	9.7
Pitney Bowes	161	19.3	93.7	525	7.3	11.9
National City	162	19.2	–17.0	173	18.9	8.3
Laclede Gas	163	19.2	–23.0	694	3.9	–18.7
VF	164	19.2	8.4	224	16.2	60.8
Rubbermaid	165	19.1	19.4	174	18.7	26.8
Teledyne	166	18.9‡	10.3	793	1.6	0.5
Ethyl	167	18.9	16.4	874	–2.0	4.6
Kaman	168	18.9	13.6	510	7.6	–19.8
KeyCorp	169	18.8	5.6	93	27.9	20.4
United Stationers	170	18.8	3.1	97	27.6	15.5
First Wachovia	171	18.8	0.6	377	10.6	–1.0
Dow Jones	172	18.6	12.6	325	12.2	9.8
Strawbridge	173	18.5	0.5	322	12.2	9.5
Nordstrom	174	18.5	28.0	108	26.3	19.0
Rockwell Intl	175	18.4	10.2	305	12.8	–1.4
Phillips-Van Heusen	176	18.4	142.4	647	4.7	–12.8
Carolina Freight	177	18.3	–33.7	163	19.5	3.9
Shoney's	178	18.3	7.6	180	18.4	17.7
Marriott	179	18.3	16.8	153	20.5	30.0
UST Inc	180	18.2	108.8	285	13.5	8.3
Walgreen	181	18.2	0.6	229	15.9	17.0
Abbott Laboratories	182	18.1	19.5	405	9.7	14.0
Jefferson Smurfit	183	18.1	218.8	190	17.7	14.2
Provident Life & Acc	184	18.0	0.9	244	15.2	28.3
Leggett & Platt	185	18.0	17.3	181	18.2	13.0
Consolidated Papers	186	17.9	–13.5	575	6.1	8.0
Dun & Bradstreet	187	17.8	36.7	145	20.9	5.9
Apple Computer	188	17.8	38.1	34	43.7	39.9
Bairnco	189	17.8	30.7	114	25.5	7.8
Philip Morris Cos	190	17.7	25.6	203	17.0	10.4
Cardinal Distribution	191	17.7	–15.2	123	23.9	31.4
James River Corp Va	192	17.7	8.7	45	39.0	50.6
JP Morgan & Co	193	17.6	–74.1	844	–0.3	–4.1
AON	194	17.6	–9.6	331	12.0	34.8
Barnett Banks	195	17.6	6.8	105	26.6	26.7

	Earnings per share			Sales		
Company	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months
Rorer Group	196	17.6%	–82.0%	351	11.5%	35.5%
Interpublic Group	197	17.6	11.4	358	11.3	17.6
Scott Paper	198	17.5	17.9	441	8.9	22.3
Ford Motor	199	17.5‡‡	44.8	366	11.1	14.2
Clorox	200	17.4	–13.3	471	8.2	7.1
Standard Register	201	17.4	37.0	347	11.5	29.8
Holly Farms	202	17.3	13.7	749	2.7	17.6
Browning-Ferris Inds	203	17.2	21.1	238	15.6	24.7
Rollins	204	17.2	11.0	638	4.8	11.1
Brunswick	205	17.1	42.0	374	10.8	68.8
Bindley Western Inds	206	16.9	–14.1	316	12.4	41.9
American Stores	207	16.8	0.3	193	17.6	1.3
Loral	208	16.7	13.4	118	24.8	51.7
Household Intl	209	16.6	47.6	1016	–18.9	–16.0
Bemis	210	16.5	21.5	682	4.3	9.1
CR Bard	211	16.5	2.5	400	9.9	17.5
Northeast Utilities	212	16.4	–17.9	642	4.8	–0.4
Big Bear	213	16.4	2.0	499	7.7	1.1
Equitable of Iowa	214	16.2	–49.8	840	–0.2	9.4
Potlatch	215	16.1	94.2	740	3.0	2.3
Quaker Oats	216	16.1	18.9	474	8.2	24.9
Amdahl	217	16.0	438.6	185	17.9	53.3
Pep Boys	218	16.0	140.4	247	15.2	18.5
NBD Bancorp	219	15.9	–7.7	722	3.4	19.7
State Street Boston	220	15.7	23.3	466	8.4	15.1
Dean Foods	221	15.7	–1.9	343	11.6	7.4
Gibraltar Financial	222	15.6‡‡	P-D	150	20.7	3.6
E-Systems	223	15.5	21.6	320	12.2	12.8
Lincoln National	224	15.5	26.8	263	14.5	24.1
Maxicare Health	225	15.5‡	P-D	15	68.9	157.8
Textron	226	15.5	32.0	186	17.9	13.1
United Jersey Banks	227	15.5	3.0	379	10.6‡	5.9
Ames Dept Stores	228	15.4	–43.4	40	41.1	11.6
PPG Industries	229	15.4	39.6	497	7.8	10.4
Lockheed	230	15.4‡	–7.3	225	16.2	8.2
Crown Cork & Seal	231	15.3	15.9	725	3.4	5.1
ConAgra	232	15.3	11.5	49	37.5	49.9
First Bank System	233	15.3	–70.7	390	10.2	–18.1
Anheuser-Busch Cos	234	15.2	26.1	254	14.7	9.3
HON Industries	235	15.2	–10.6	273	14.0	5.2
Commonwealth En	236	15.2	–24.9	755	2.6	0.5
Banc One	237	15.2	–11.6	214	16.5	2.5
PNC Financial	238	15.1	–11.7	410	9.7	12.6
Kimball International	239	15.0	19.6	364	11.2	20.6
First Kentucky Natl	240	15.0	–32.9	381	10.5	5.8
RR Donnelley	241	15.0	69.5	306	12.8	13.0
Cincinnati Financial	242	14.9	1.1	215	16.5	17.0
Potomac Electric	243	14.8	8.7	557	6.3	–0.9
PepsiCo	244	14.8	29.7	651	4.6	24.8
Dominion Bankshares	245	14.7	7.3	355	11.4	26.2
Wm Wrigley Jr	246	14.5	30.6	756	2.6	11.5
Pacific Telesis	247	14.5‡‡	3.3	676	4.3‡‡	0.4
Citizens & Southern	248	14.2	–6.6	303	12.8	14.6
Fleet Financial	249	14.2	–5.1	189	17.7	45.9
Temple-Inland	250	14.2‡‡	79.9	717	3.5	26.6
McDonald's	251	14.1	14.3	371	10.9	13.6
Nucor	252	14.1	–21.5	422	9.5	2.2
Sovran Financial	253	14.1	17.3	346	11.5	12.4
Society	254	14.0	32.0	212	16.6	–4.8
Rohm & Haas	255	14.0	40.7	757	2.6	3.4
Kellogg	256	14.0	26.5	512	7.6	11.9
Masco	257	14.0	26.2	395	10.1	46.8
Morton Thiokol	258	14.0	10.1	156	20.0	5.3
Ipalco Enterprises	259	13.9	87.2	489	8.0	11.3
Meredith	260	13.9	–13.5	655	4.6	8.7

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	Earnings per share			Sales		
Company	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months
Worthington Inds	261	13.8%	–0.3%	278	13.7%	7.9%
Automatic Data	262	13.7	22.7	221	16.4	13.6
Hannaford Bros	263	13.7	24.9	341	11.7	18.8
First Boston	264	13.6	2.2	87	28.4	11.2
May Dept Stores	265	13.6	20.0	349	11.5	4.7
CityFed Financial	266	13.6‡	P-D	88	28.3	4.1
Coca-Cola Enterprises	267	13.5‡	–23.0	102	27.2	127.0
Capital Cities/ABC	268	13.5	55.4	46	38.4	31.[illegible]
Mercantile Stores	269	13.5	11.6	413	9.6	7.2
NCNB	270	13.5	–1.0	164	19.5	7.6
First Tennessee Natl	271	13.4	–12.0	478	8.1	2.6
Xidex	272	13.3	P-D	37	42.8	23.2
Wells Fargo	273	13.3	P-D	735	3.2	21.3
Flowers Industries	274	13.2	–7.0	330	12.0	10.1
Avery International	275	13.1	38.6	352	11.5	33.8
Witco	276	13.1	0.7	786	1.8	0.6
SunTrust Banks	277	13.1	6.4	127	23.6	30.1
Ball Corp	278	13.1	8.7	556	6.4	1.8
Dayton-Hudson	279	13.1	10.0	269	14.0	7.1
Southwest Gas	280	13.0	24.2	643	4.8	–10.9
Bristol-Myers	281	13.0	19.4	540	6.9	10.7
Ryder System	282	13.0	12.9	294	13.2	22.3
Sysco	283	13.0	–0.7	199	17.3	15.3
Coca-Cola	284	12.9	31.3	479	8.1	–2.8
Albertson's	285	12.9	15.4	438	9.0	8.5
Interlake	286	12.8	34.6	907	–3.6	0.8
Crestar Financial	287	12.8	–22.5	302	12.9	7.4
Jamesway	288	12.7	25.9	235	15.7	17.6
NCR	289	12.7	21.6	526	7.3	14.5
K mart	290	12.7	160.7	463	8.4	6.2
Lucky Stores	291	12.6	450.8	831	0.1	–1.6
HJ Heinz	292	12.6	15.7	696	3.9	9.1
Amoskeag	293	12.6	–3.5	412	9.6	43.2
AmSouth Bancorp	294	12.6	5.3	456	8.6	15.3
American General	295	12.5	18.7	136	22.3	12.5
FMC	296	12.5	305.0	882	–2.3	–0.6
Snap-on Tools	297	12.4	23.6	416	9.6	14.9
Ogilvy Group	298	12.3	–5.9	266	14.3	26.5
Marshall & Ilsley	299	12.3	3.1	276	13.8	3.9
Farmers Group	300	12.3	14.0	242	15.3	9.8
Commerce Clearing	301	12.2	0.3	429	9.3	12.7
American Express	302	12.2	–16.2	53	35.4	10.1
Jefferson-Pilot	303	12.1	42.9	728	3.3	0.7
Tandem Computers	304	12.1	50.0	76	29.2	34.9
Boeing	305	12.1	–20.1	362	11.2	0.9
Meridian Bancorp	306	12.0	3.3	213	16.6	5.1
GenCorp	307	12.0	[illegible]5.2	428	9.4	–31.6
Merck	308	12.0	36.0	549	6.6	22.3
Cincinnati Bell	309	12.0	10.7	560	6.3	8.7
Southern Company	310	11.9	–1.3	383	10.4	2.3
First American	311	11.8	–5.3	206	16.9	14.2
American Greetings	312	11.8	–22.2	314	12.5	9.6
Sears, Roebuck	313	11.8	17.4	389	10.3	9.2
Bankers Trust NY	314	11.8	P-D	798	1.5	5.9
Colt Industries	315	11.8‡‡	184.2	910	–3.7	2.1
Fidelcor	316	11.7	–13.8	182	18.2‡	8.9
Rite Aid	317	11.7	85.4	407	9.7	24.1
Westinghouse	318	11.7	19.2	744	3.0	–5.9
Houston Industries	319	11.7	2.4	760	2.6	–2.2
Stanley Works	320	11.6	–1.0	534	7.0	17.5
Weis Markets	321	11.6	30.3	496	7.8	3.3
Tambrands	322	11.5	10.2	246	15.2	10.0
Atlanta Gas Light	323	11.3	22.5	639	4.8	–2.5
Sara Lee	324	11.3	16.4	490	8.0	16.6
Baltimore G&E	325	11.2	10.2	640	4.8	1.3

	Earnings per share			Sales		
Company	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months
Melville	326	11.2%	11.0%	281	13.7%	10.2%
McDonnell Douglas	327	11.2	11.4	304	12.8	6.8
Campbell Soup	328	11.2	10.4	404	9.7	2.6
BayBanks	329	11.1	9.2	354	11.4	10.6
Bank of Boston	330	11.1	–45.5	609	5.3	18.0
United Artists	331	11.1	–9.5	211	16.6	17.4
Beverly Enterprises	332	11.0	P-D	63	31.4	9.1
Sonoco Products	333	11.0	49.4	281	13.6	25.9
Bank of New York	334	10.9	–79.7	738	3.1	15.5
Holiday	335	10.8	24.1	801	1.3	0.0
Marsh & McLennan	336	10.8	28.4	236	15.6	20.7
Hawaiian Electric	337	10.8	2.3	892	–2.9	1.8
Pillsbury	338	10.8	2.5	332	11.9	3.9
Gannett	339	10.7	12.3	251	14.9	14.6
Skyline	340	10.6	19.1	653	4.6	1.2
Florida Progress	341	10.5	1.1	461	8.5	0.9
Durr-Fillauer	342	10.5	–1.2	106	26.6	8.4
Walt Disney	343	10.5	77.5	141	21.3	16.4
Computer Sciences	344	10.4	26.1	436	9.1	19.3
Security Pacific	345	10.4	–63.5	513	7.5	24.4
Tyco Laboratories	346	10.4	–26.4	265	14.3	20.8
Eli Lilly	347	10.4	10.8	611	5.2	12.2
UtiliCorp United	348	10.3	1.7	130	23.0	12.3
Hewlett-Packard	349	10.2	23.8	245	15.2	13.9
Knight-Ridder	350	10.2	7.6	430	9.2	9.7
Citicorp	351	10.1	P-D	558	6.3	13.1
Borden	352	10.1	23.7	732	3.2	24.0
Marine Midland Banks	353	10.1	P-D	857	–0.8	2.7
American Home Prod	354	10.0	10.9	762	2.5	2.5
H&R Block	355	10.0	20.1	187	17.8	14.0
WW Grainger	356	10.0	4.1	509	7.6	12.1
Wisconsin Energy	357	10.0	3.7	702	3.9	–3.6
Hillenbrand Inds	358	10.0	57.2	367	11.1	14.8
Peoples Energy	359	10.0	–26.9	747	2.8	–21.6
Petrie Stores	360	10.0	–10.9	144	20.9	8.3
AG Edwards	361	10.0	–3.1	197	17.4	15.0
Delmarva Power & Lt	362	9.9	–5.9	710	3.7	–8.9
Bank of New England	363	9.9	–23.7	270	14.0	33.3
New England Electric	364	9.9	3.6	726	3.4	0.0
Wicor	365	9.9	–23.9	527	7.2	–12.7
American Bankers	366	9.8	P-D	159	19.6	12.5
Shawmut	367	9.8	–48.3	321	12.2	16.2
Equifax	368	9.8	6.0	426	9.4	4.5
Midlantic Banks	369	9.7	–9.9	234	15.7	0.8
Southland	370	9.5	–36.4	337	11.8	–14.0
Hubbell	371	9.5	12.0	598	5.5	4.7
Universal Leaf	372	9.5	31.1	847	–0.3	68.6
Eaton	373	9.4‡‡	70.9	531	7.1	–10.8
Fuqua Industries	374	9.4‡	–9.3	724	3.4	–9.8
McGraw-Hill	375	9.4	2.3	520	7.4	9.8
Whirlpool	376	9.4	–11.0	334	11.9	6.6
Huntington Bshs	377	9.3	–12.8	293	13.3	1.8
Payless Cashways	378	9.0	–2.4	94	27.9	14.3
Comerica	379	9.0	23.7	491	8.0	–3.9
Seagram	380	8.9	12.8	624	5.1	18.2
Union Electric	381	8.9	12.3	403	9.8	8.1
No States Power	382	8.9	1.9	565	6.2	–3.5
American Intl Group	383	8.9	68.4	142	21.1	30.7
EG&G	384	8.8	3.8	365	11.2	4.6
Fort Howard	385	8.8	–9.4	67	30.4	6.2
National Service	386	8.7	6.4	434	9.2	3.4
IBM	387	8.7	–23.9	315	12.4	3.3
Mohasco	388	8.7‡‡	–9.9	601	5.5	6.4
General Electric	389	8.7	33.0	669	4.4	24.9
Kansas Power & Light	390	8.7	–3.0	74	29.4	–4.8

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WHO'S WHERE IN GROWTH

	Earnings per share			Sales		
Company	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months
MNC Financial	391	8.6%	16.1%	386	10.3%	10.3%
Upjohn	392	8.6	46.5	704	3.8	11.5
Salomon	393	8.6	–48.4	31	46.3	–4.7
Becton Dickinson	394	8.6	30.5	730	3.3	20.6
Jostens	395	8.5	29.0	361	11.2	2.1
Bergen Brunswig	396	8.5	–22.7	79	28.8	10.1
Central & South West	397	8.4	5.6	667	4.5	–7.8
Federal Express	398	8.4	P-D	54	35.2	22.2
First Executive	399	8.4	4.0	134	22.7	12.1
Dominion Resources	400	8.3	14.1	555	6.4	11.6
George A Hormel	401	8.3	13.0	621	5.1	15.5
Southwestern Pub Svc	402	8.3	–20.7	414	9.6	–4.5
Washington Gas Light	403	8.3	–2.3	648	4.7	–6.4
Super Rite Foods	404	8.2	68.1	96	27.8	5.2
RJR Nabisco	405	8.2	25.9	284	13.5	–1.8
Boston Edison	406	8.2	0.4	765	2.5	4.9
Pentair	407	8.2	5.8	119	24.6	40.0
Riggs National	408	8.1	–74.7	750	2.7	–0.3
Super Valu Stores	409	8.0	18.6	262	14.5	7.9
Corning Glass Works	410	8.0	–8.0	741	3.0	9.0
Hershey Foods	411	8.0	15.1	462	8.5	13.7
HB Fuller	412	8.0	29.3	392	10.2	15.5
Pulte Home	413	7.9	18.4	218	16.4	1.9
Dana	414	7.9	16.0	431	9.2	4.9
National Fuel Gas	415	7.9	–14.9	822	0.3	–18.6
Commonwealth Ed	416	7.9	4.7	516	7.5	6.5
Wisconsin Public Svc	417	7.9	0.5	713	3.5	–4.0
PHH Group	418	7.9	5.7	241	15.5	59.5
Pub Svc Enterprise	419	7.8	–29.1	622	5.1	–5.0
AmeriTrust	420	7.7	–68.0	615	5.2	16.3
Figgie Intl	421	7.7	11.7	695	3.9	8.0
First Wisconsin	422	7.7	P-D	754	2.6	4.6
Equitable Resources	423	7.6	–37.7	736	3.2	–8.0
Ametek	424	7.5	15.7	607	5.3	5.8
Curtice-Burns Foods	425	7.5	21.1	467	8.4	10.1
Pacific G&E	426	7.5	–43.4	583	5.8	–8.5
Farm Fresh	427	7.5	–36.7	91	28.0	19.6
Grow Group	428	7.5	P-D	448	8.7	25.5
Valley National	429	7.4	–88.4	508	7.6	1.9
Questar	430	7.3	–15.3	674	4.3	–14.0
General Mills	431	7.2	25.2	626	5.0	14.0
Perry Drug Stores	432	7.2	P-D	95	27.8	14.5
Chemical New York	433	7.1	P-D	823	0.3	10.3
California First Bk	434	7.1	20.2	723	3.4	1.2
FPL Group	435	7.1	6.3	477	8.1	4.3
Nortek	436	7.1	–36.6	64	31.3	50.4
National Medical	437	7.1	–25.0	101	27.4	–5.5
Johnson Controls	438	7.1	–6.6	210	16.7	1.4
Contel	439	7.0	–12.9	287	13.5	–3.2
Wisconsin P&L	440	6.8	6.7	654	4.6	–4.9
Cincinnati G&E	441	6.8	11.4	637	4.8	–1.5
Old Republic Intl	442	6.8	28.7	83	28.5	1.7
Pioneer Hi-Bred Intl	443	6.7	–26.8	271	14.0	–5.1
Norstar Bancorp	444	6.7	7.6	61	32.3	14.3
Carson Pirie Scott	445	6.7	P-D	255	14.7	–26.3
Hospital Corp	446	6.7	–24.0	207	16.8	5.4
Louisville G&E	447	6.7	6.0	573	6.1	–3.6
Vulcan Materials	448	6.6	27.0	568	6.1	7.3
Kimberly-Clark	449	6.6	46.8	433	9.2	11.9
Southeast Banking	450	6.6	–52.3	545	6.7	2.7
Emerson Electric	451	6.4	6.8	457	8.6	24.6
San Diego G&E	452	6.4	–16.7	537	7.0	6.1
Uslico	453	6.4	26.6	73	29.4	7.4
So Calif Edison	454	6.4	–10.5	581	5.9	2.6
Illinois Power	455	6.3	7.1	721	3.5	2.3

	Earnings per share			Sales		
Company	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months
Atlantic Energy	456	6.2%	–2.8%	589	5.7%	10.7%
Cullum Cos	457	6.2	5.9	781	2.0	3.3
Illinois Tool Works	458	6.2	221.0	257	14.6	127.1
Detroit Edison	459	6.1	26.0	505	7.6	–0.2
Parker-Hannifin	460	6.1	–3.0	420	9.5	7.4
Carolina Power & Lt	461	6.0	–1.3	454	8.6	1.9
First Fidelity Bncp	462	6.0	–23.7	111	25.8	9.8
Consolidated Edison	463	5.9	12.9	789	1.8	–4.6
Hercules	464	5.9	287.1	841	–0.2	1.3
Irving Bank	465	5.9	–92.7	903	–3.5	9.7
Chase Manhattan	466	5.9	P-D	870	–1.6	5.0
Nynex	467	5.9‡‡	3.5	684	4.3‡‡	8.5
Mapco	468	5.8	–33.1	926	–5.0	–8.5
Boatmen's Bancshares	469	5.8	–6.4	71	29.8	30.9
Fieldcrest Cannon	470	5.8	4.6	311	12.7	44.8
TECO Energy	471	5.8	16.9	452	8.7	7.2
Prime Computer	472	5.7	12.5	168	19.4	10.2
Scana	473	5.7	14.0	469	8.3	2.4
Weyerhaeuser	474	5.7	81.1	592	5.6	22.4
Chubb	475	5.6	84.8	195	17.5	26.0
Digital Equipment	476	5.6	64.7	165	19.5	23.4
United Illuminating	477	5.6	12.0	767	2.4	0.5
Stanadyne	478	5.5	8.5	605	5.4	6.3
Greyhound	479	5.5	63.9	997	–12.5	–2.4
Quaker State Oil	480	5.5	P-D	829	0.2	–8.7
Genuine Parts	481	5.4	26.6	492	7.9	7.8
First Interstate Bncp	482	5.4	P-D	675	4.3	–4.1
Brown-Forman	483	5.3	5.0	228	16.1	4.7
Duke Power	484	5.3	9.8	356	11.4	11.4
Ruddick	485	5.3	7.1	279	13.7	9.9
Raytheon	486	5.2	14.5	618	5.2	8.4
Republic New York	487	5.1	–74.6	673	4.4	8.9
Collins Foods Intl	488	5.1	69.4	239	15.6	–7.8
Exxon	489	5.1	–14.2	958	–6.9	–3.5
Longs Drug Stores	490	5.0	13.3	393	10.2	10.4
Ohio Edison	491	5.0	6.6	550	6.6	1.4
Centerior Energy	492	5.0	3.0	603	5.5	5.8
Hartford National	493	5.0	0.2	75	29.3	40.8
Westvaco	494	5.0	35.0	681	4.3	10.6
Schering-Plough	495	4.8	46.4	644	4.7	15.3
Rochester G&E	496	4.8	–53.4	707	3.8	–2.7
US Bancorp	497	4.8	12.4	617	5.2	4.0
NY State E&G	498	4.7	P-D	368	11.1	–3.6
Texas Utilities	499	4.7	7.6	487	8.0	2.5
Allegheny Power	500	4.7	1.2	804	1.2	7.7
Central Hudson G&E	501	4.6	–19.4	807	1.2	–10.2
SmithKline Beckman	502	4.6	62.8	382	10.5	16.0
Consol Natural Gas	503	4.5	–12.9	848	–0.4	–17.8
Standard Shares	504	4.4	58.1	476	8.2	5.8
Coachmen Industries	505	4.3	–22.7	369	11.0	6.1
Winn-Dixie Stores	506	4.3	2.2	600	5.5	5.6
Southwestern Bell	507	4.2‡‡	50.2	810	1.0‡‡	–0.7
Intl Flavors & Frags	508	4.2	22.0	584	5.8	19.2
Kentucky Utilities	509	4.2	9.0	661	4.5	1.9
Midwest Energy	510	4.2	–10.4	427	9.4	–0.9
Tandy	511	4.2	30.9	323	12.2	13.4
Southwest Airlines	512	4.2	–56.6	120	24.1	3.3
So New England Tel	513	4.2	7.1	530	7.2	2.4
Sealed Power	514	4.1	25.7	191	17.6	13.1
Marsh Supermarkets	515	4.1	12.2	503	7.6	3.1
Nash Finch	516	4.1	15.0	518	7.4	35.3
Federated Dept Strs	517	4.0	12.5	458	8.5	6.9
Orange & Rockland	518	4.0	–0.3	766	2.4	–6.7
Bell Atlantic	519	3.9‡‡	6.0	658	4.6‡‡	6.8
PaineWebber Group	520	3.9	6.0	183	18.1	4.9

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available. NM: Not meaningful. ‡Four-year growth. ‡‡Three-year growth.

	Earnings per share			Sales		
Company	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months
MCA	521	3.9%	–26.7%	336	11.8%	5.8%
Fleming Cos	522	3.8	–23.2	171	19.2	4.3
EI du Pont de Nemours	523	3.8	6.4	716	3.5	4.3
Travelers	524	3.8	0.8	398	10.0	12.7
CILCorp	525	3.7	5.8	791	1.6	–4.7
Shaklee	526	3.7	–67.2	906	–3.6	23.1
Northern Trust	527	3.7	P-D	880	–2.3	3.6
American Electric	528	3.7	15.9	706	3.8	0.4
Commercial Metals	529	3.6	–28.8	934	–5.3	–1.4
USAir Group	530	3.6	88.3	370	10.9	31.8
PacifiCorp	531	3.5	12.8	380	10.5	7.7
Minn Mining & Mfg	532	3.4	20.5	578	5.9	8.4
JC Penney	533	3.3	23.2	620	5.1	6.5
Dexter	534	3.3	25.9	616	5.2	16.5
Jerrico	534	3.3	–8.5	495	7.8	5.4
Briggs & Stratton	535	3.3	–25.8	608	5.3	5.2
Kemper	536	3.2	32.7	378	10.6	11.2
Sterling Drug	537	3.1	57.7	805	1.2	15.4
Rykoff-Sexton	538	3.1	36.6	69	30.3	0.6
Oklahoma G&E	539	3.1	–4.1	582	5.8	–0.4
Philadelphia Elec	540	3.0	–19.6	625	5.1	4.1
BellSouth	541	3.0‡‡	11.5	731	3.3‡‡	5.7
United Brands	542	3.0‡‡	11.2	911	–3.8	0.9
Paccar	543	2.9	112.7	590	5.7	25.8
Mercantile Bancorp	544	2.9	P-D	743	3.0	–3.1
Niagara Mohawk Pwr	545	2.9	–64.2	677	4.3	–2.8
Ameritech	546	2.9‡‡	18.7	784	1.8‡‡	2.1
Delchamps	547	2.8	–8.4	372	10.9	14.0
Alltel	548	2.8	–17.9	481	8.0	4.8
AMP	549	2.6	62.0	406	9.7	18.9

	Earnings per share			Sales		
Company	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months
Mfrs Hanover	550	2.5%	P-D	776	2.1%	–5.9%
Harsco	551	2.5	29.8%	752	2.6	–3.3
First Maryland Bncp	552	2.4	249.4	494	7.8	12.3
Moore Corp	553	2.3	–12.2	742	3.0	0.0
Iowa Resources	554	2.3	–9.8	850	–0.6	3.4
Insilco	555	2.3	21.2	703	3.8	–4.2
Hanover Insurance	556	2.2	126.0	240	15.5	24.6
Kansas City P&L	557	2.2	–23.7	535	7.0	5.9
AMR	558	2.1‡‡	–22.6	427	9.5	13.4
Iowa-Illinois G&E	559	2.0	12.5	597	5.5	–11.6
Adolph Coors	560	2.0	–24.4	472	8.2	1.2
Chicago Pacific	561	2.0	63.9	52	35.8	105.4
US West	562	1.9‡‡	0.6	753	2.6‡‡	1.7
Central Ill Pub Svc	563	1.9	–11.7	693	3.9	–6.7
Tecumseh Products	564	1.8	22.5	777	2.1	9.2
First Chicago	565	1.8	P-D	853	–0.6	–2.1
McCormick & Co	566	1.7	17.2	498	7.7	10.4
Centel	567	1.5	–20.0	586	5.8	9.1
Bell & Howell	568	1.5‡‡	–28.7	630	4.9	–7.6
American Cyanamid	569	1.4	100.6	808	1.1	8.9
Ohio Casualty	570	1.3	28.8	408	9.7	15.1
Hilton Hotels	571	1.2	6.7	689	4.2	14.8
Washington National	572	1.2	–23.8	938	–5.7	26.1
Square D	573	1.1	31.8	591	5.7	4.5
Perkin-Elmer	574	1.1	P-D	657	4.6	1.6
Long Island Lighting	575	1.0	–62.0	645	4.7	1.9
Continental Corp	576	0.8	28.6	324	12.2	3.8
Archer-Daniels	577	0.8	10.5	470	8.2	10.5
CBS	578	0.8	105.0	711	3.6	–5.9
Roadway Services	579	0.7	–23.4	417	9.6	6.9

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available. NM: Not meaningful. ‡Four-year growth. ‡‡Three-year growth.

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WHO'S WHERE IN GROWTH

	Earnings per share			Sales		
Company	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months
Merrill Lynch	580	0.6%	68.1%	216	16.5%	21.8%
Hartmarx	581	0.6	22.4	554	6.4	–1.4
Turner	582	0.4	P-D	733	3.2	16.6
American Brands	583	0.4	–33.1	612	5.2	3.5
Constar Intl	584	0.4‡‡	–34.1	865	–1.3	–19.9
Aetna Life & Cas	585	0.3	14.5	446	8.8	10.4
Mellon Bank	586	0.3	P-D	401	9.9	–5.6
Cooper Tire & Rubber	587	0.3	32.2	485	8.0	12.6
Pinnacle West	588	0.2	–4.8	585	5.8	4.0
Dover	589	0.2	20.1	449	8.7	7.2
Duquesne Light	590	0.2	–25.0	709	3.7	3.5
Ferro	591	0.2	129.5	799	1.4	18.0
Guilford Mills	592	0.0	1.3	335	11.9	30.6
Intl Multifoods	593	0.0	112.5	627	5.0	4.3
Public Service Colo	594	0.0	80.1	680	4.3	–1.5
Norfolk Southern	595	–0.1	–13.2	727	3.3	–0.5
Morrison-Knudsen	596	–0.1	P-D	856	–0.7	–10.2
McKesson	597	–0.2	–0.5	387	10.3	1.2
RLC	598	–0.3	–64.4	553	6.5	5.3
Scotty's	599	–0.3	–9.5	338	11.8	3.6
Raychem	600	–0.5	50.7	460	8.5	17.5
Consol Freightways	601	–0.6	–13.9	267	14.3	8.0
Universal Foods	602	–0.6	47.9	686	4.2	18.1
Lubrizol	603	–0.7	7.8	764	2.5	1.9
Nalco Chemical	604	–0.8	11.9	782	2.0	9.3
Centerre Bancorp	605	–0.8	–40.5	917	–4.5	–2.5
General Host	606	–0.8	71.0	678	4.3	–4.2
Pittway	607	–0.9	–4.6	450	8.7	8.3
Liquid Air	608	–0.9	1.7	567	6.2	–1.0
Coastal Corp	609	–0.9‡	500.0+	698	3.9	6.4
Std Commercial Tob	610	–1.1	–0.9	641	4.8	19.8
Morrison	611	–1.1	93.8	396	10.1	16.9
Baxter International	612	–1.1	–40.8	121	24.0	21.5
Procter & Gamble	613	–1.2	–45.6	593	5.6	6.9
General Re	614	–1.3	80.1	230	15.9	23.2
United Banks of Colo	615	–1.4	P-D	672	4.4	8.0
Brooklyn Union Gas	616	–1.6	42.1	547	6.7	–8.2
Culbro	617	–1.7	11.3	122	24.0	–16.4
Stop & Shop Cos	618	–2.0	–14.3	288	13.4	7.2
Mead	619	–2.0‡‡	60.5	771	2.1	39.3
Pennsylvania P&L	620	–2.2	15.3	243	15.2	–4.1
Middle South Utils	621	–2.3	15.0	659	4.5	0.0
Interco	622	–2.4	13.9	852	–0.6	22.2
Dollar General	623	–2.5	–60.0	148	20.7	4.3
Chesapeake	624	–2.5	142.6	179	18.4	15.0
Johnson & Johnson	625	–2.5	121.5	635	4.8	11.8
Norwest	626	–2.6	P-D	594	5.6	–3.3
Transamerica	627	–2.7	50.9	465	8.4	15.7
Edison Bros Stores	628	–2.9	–56.9	699	3.9	3.8
Alexander's	629	–2.9‡	–54.2	830	0.2	0.5
Alco Standard	630	–2.9	35.6	357	11.3	–15.8
Gerber Products	631	–3.0	–39.6	536	7.0	2.0
Humana	632	–3.1	232.1	277	13.8	8.9
American Standard	633	–3.1	38.3	542	6.8	4.9
CPC International	634	–3.1	106.2	806	1.2	14.1
Gulf States Utils	635	–3.2	–27.0	571	6.1	–6.6
Oxford Industries	636	–3.2	–2.0	418	9.6	9.6
Owens-Corning	637	–3.2	234.2	411	9.7	–17.2
Portland General	638	–3.5	–39.3	514	7.5	–5.3
Public Service NM	639	–3.7	–19.4	205	16.9	2.4
Tracor	640	–3.9	500.0+	344	11.6	11.7
West Point-Pepperell	641	–4.0	16.4	541	6.8	14.0
Central Steel & Wire	642	–4.1	17.3	768	2.4	6.9
Zurn Industries	643	–4.3	21.4	836	–0.1	13.6
NIKE	644	–4.7	–8.5	226	16.1	–9.6
Montana Power	645	–4.9%	–55.5%	574	6.1%	1.2%
Union Camp	646	–5.1	97.0	613	5.2	13.3
Tyler	647	–5.5	–1.4	714	3.5	11.7
Brown Group	648	–5.7	51.3	813	0.8	10.2
Alberto-Culver	649	–5.8	88.2	399	9.9	0.0
DPL	650	–6.1	98.8	688	4.2	–2.7
Texas Industries	651	–6.2	P-D	259	14.5	–7.5
Foremost Corp of Am	652	–6.3	147.8	248	15.0	–2.4
DeSoto	653	–6.5	101.5	646	4.7	–6.2
Federal Paper Board	654	–6.5	127.4	290	13.4	12.7
Utah Power & Light	655	–6.6	–24.8	447	8.8	–1.7
Coleman	656	–6.6	14.2	504	7.6	20.3
Gt Northern Nekoosa	657	–6.7	262.2	493	7.9	17.9
Carlisle Cos	658	–7.5	18.5	632	4.9	14.6
Colgate-Palmolive	659	–7.5	–62.4	866	–1.4	11.2
American Building	660	–7.6	–20.5	327	12.1	8.9
Cooper Industries	661	–7.9	9.9	623	5.1	–3.3
Bowater	662	–8.0	14.0	729	3.3	26.5
Media General	663	–8.0	P-D	363	11.2	13.3
Tektronix	664	–8.1	–21.9	599	5.5	2.6
National Distillers	665	–8.2	200.0	790	1.7	16.6
Puget Sound P&L	666	–8.3	–17.6	297	13.1	–4.1
Engelhard	667	–8.8	50.0	772	2.1	8.4
Arkla	668	–8.8	25.3	922	–4.8	36.1
Sundstrand	669	–8.9	–58.3	501	7.7	–1.8
Motorola	670	–9.0	48.2	310	12.7	13.3
Dow Chemical	671	–9.0	308.9	835	–0.1	9.8
Amoco	672	–9.2	19.1	963	–7.2	–6.8
Mobil	673	–9.5	–34.1	936	–5.5	–1.8
Dennison Mfg	674	–9.6	188.8	663	4.5	4.0
Phillips Petroleum	675	–10.0	P-D	954	–6.7	–10.5
Guy F Atkinson	676	–10.0	–14.5	966	–7.8	7.0
Xerox	677	–10.7	2.6	432	9.2	13.6
Oneok	678	–11.4	–45.2	937	–5.6	–20.3
Sun Company	679	–11.4	–53.5	965	–7.5	–27.3
US Shoe	680	–11.7	–4.2	282	13.6	9.0
International Paper	681	–11.8	131.8	751	2.7	62.3
Goodyear	682	–12.2	195.9	812	0.9	–4.1
Harris Corp	683	–12.2	36.5	444	8.9	–0.5
Springs Industries	684	–12.3	202.3	442	8.9	9.3
Outboard Marine	685	–12.3	287.9	666	4.5	32.7
Savannah Foods	686	–12.4	–5.9	506	7.6	25.6
ITT	687	–12.5	111.9	1005	–14.0	–39.0
General Signal	688	–12.5	93.3	827	0.2	–7.0
Seaway Food Town	689	–13.2	96.9	855	–0.7	8.1
Litton Industries	690	–13.5	104.8	873	–2.0	–2.2
Kansas Gas & Elec	691	–14.5	37.7	464	8.4	4.7
DynCorp	692	–14.9	149.1	385	10.4	17.7
Chevron	693	–15.0	–49.9	935	–5.3	–14.2
M/A-Com	694	–15.2	P-D	604	5.4	–24.5
First RepublicBank	695	–15.3	P-D	759	2.6	7.9
Gordon Jewelry	696	–15.5	P-D	816	0.6	–20.6
Avnet	697	–15.6	28.6	631	4.9	12.3
Church's Fried	698	–15.9	–7.4	649	4.7	–16.0
Natl Convenience	699	–16.8	P-D	286	13.5	–4.6
Texaco	700	–17.6	–59.4	969	–7.9	–9.1
Foster Wheeler	701	–17.6	1.4	951	–6.6	–1.1
Pacific Lighting	702	–18.1	78.0	468	8.4	–3.1
Munford	703	–18.6	P-D	552	6.5	–5.2
Kroger	704	–18.9	81.1	409	9.7	3.7
Freeport-McMoRan	705	–18.9	500.0+	904	–3.5	40.8
Blount	706	–19.1	66.7	376	10.7	2.8
Unocal	707	–19.1	500.0+	918	–4.6	–4.1
Pennzoil	708	–19.9	D-P	940	–5.7	–12.8
Occidental Petroleum	709	–19.9	18.6	872	–1.9	12.9

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available. NM: Not meaningful. ‡Four-year growth. ‡‡Three-year growth.

		Earnings per share			Sales	
Company	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months
Federal-Mogul	710	–20.1%	–87.3%	691	4.1%	10.4%
Public Service Ind	711	–20.5	3.8	524	7.3	–2.2
Carpenter Technology	712	–20.5	–59.5	818	0.5	–8.8
American President	713	–21.3‡	500.0+	175	18.7	29.6
Eastman Kodak	714	–21.9	500.0+	794	1.6	12.9
Bearings	715	–22.2	272.0	480	8.1	2.3
KN Energy	716	–22.3	–93.3	932	–5.2	–10.5
Wang Laboratories	717	–23.3	P-D	109	26.1	9.4
Data General	718	–24.6	P-D	296	13.2	0.5
Gillette	719	–24.8	–63.1	718	3.5	14.7
Central Maine Power	720	–26.4	–17.0	484	8.0	9.7
United Telecom	721	–27.3	P-D	521	7.4	–6.7
Univar	722	–28.2	22.0	533	7.0	85.3
Farm House Foods	723	–28.7	P-D	1012	–15.7	4.7
First Security	724	–32.2	–42.4	700	3.9	–10.7
United Technologies	725	–33.9	–62.0	737	3.2	8.8
Staley Continental	726	–34.9	68.2	345	11.6	12.9
Mitchell Energy	727	–35.3	–81.8	979	–9.2	–24.3
Air Prods & Chems	728	–35.9	500.0+	628	4.9	7.6
Enron	729	–36.0	P-D	139	21.3	–35.2
Wickes Cos	730	–44.6‡‡	114.8	701	3.9	40.2
Texas Eastern	731	–58.6	D-P	867	–1.4	–18.5
AH Robins		NM	19.7	318	12.3	8.7
AM International		NM	D-D	811	1.0	68.8
AMAX		NM	D-P	998	–12.5	106.9
AO Smith		NM	–44.2	660	4.5	5.6
Advanced Micro		NM	D-D	178	18.5	45.3
Alcan Aluminium		NM	D-P	656	4.6	8.0
Alcoa		NM	D-P	826	0.2	10.2
Alexander & Alex		NM	500.0+	415	9.6	9.1
Allegheny Intl		NM	D-D	970	–7.9	–40.2
Allegis		NM	94.0	373	10.8	–2.5
Allen Group		NM	P-D	683	4.3	0.8
Allied Bancshares		NM	P-D	292	13.4	–9.1
Allied-Signal		NM	D-P	298	13.0	–1.6
Amerada Hess		NM	D-P	994	–12.1	–13.4
American Hoist		NM	D-D	974	–8.3	–16.5
American Maize		NM	500.0+	577	5.9	7.2
American Medical		NM	D-P	128	23.6	8.6
American Petrofina		NM	D-P	887	–2.8	8.2
Amfac		NM	D-D	849	–0.4	–8.0
Ampco-Pittsburgh		NM	D-D	779	2.0	–24.4
Armco		NM	D-P	1011	–15.4	–1.0
Armtek		NM	D-P	473	8.2	49.8
Arrow Electronics		NM	D-D	423	9.4	13.0
Asarco		NM	D-P	953	–6.7	6.3
Ashland Oil		NM	–30.6	920	–4.8	–1.7
Atlantic Richfield		NM	41.3	986	–10.6	–4.3
Avon Products		NM	D-P	838	–0.1	13.4
BF Goodrich		NM	D-P	883	–2.4	–26.1
Baker Hughes		NM	D-D	964	–7.3‡	–30.2
Bally Manufacturing		NM	60.4	402	9.8	8.2
BankAmerica		NM	D-D	912	–3.8	–19.0
Barnes Group		NM	–0.4	851	–0.6	1.0
Beneficial Corp		NM	D-D	981	–9.4	–44.6
Best Products		NM	D-D	289	13.4	–6.9
Bethlehem Steel		NM	D-P	960	–7.1	–3.4
Black & Decker		NM	93.9	500	7.7	8.0
Borman's		NM	–0.4	802	1.3	15.1
Burlington Northern		NM	D-P	272	14.0	–11.9
Business Men's Assur		NM	D-P	440	9.0	9.6
Butler Manufacturing		NM	–70.7	570	6.1	9.3
CBI Industries		NM	–66.5	662	4.5	–13.5
CMS Energy		NM	D-P	705	3.8	–9.8
CNW		NM	500.0+	814	0.7	–0.2

	Earnings per share			Sales	
Company	5-year average	latest 12 months	rank	5-year average	latest 12 months
CSX	NM	D-P	543	6.8%	14.8%
Cabot	NM	–44.5%	908	–3.7	8.7
Caesars World	NM	–4.4	712	3.5	12.3
Cameron Iron Works	NM	D-D	1002	–13.0	–22.6
Carter Hawley Hale	NM	NA	785	1.8	NA
Caterpillar	NM	–89.8	881	–2.3	4.9
Champion Intl	NM	119.3	588	5.7	–0.2
Champion Spark Plug	NM	D-P	787	1.8	12.9
Charter	NM	D-P	1021	–26.2	–21.3
Cigna	NM	D-P	397	10.1	0.6
Cincinnati Milacron	NM	–36.4	861	–1.2	0.7
Clark Equipment	NM	D-D	824	0.3	2.6
Coleco Industries	NM	P-D	143	21.1	–12.0
Columbia Gas System	NM	31.7	942	–5.9	–23.2
Combustion Eng	NM	–10.5	975	–8.7	15.3
Commercial Credit	NM	5.9	670	4.4	–0.4
Computervision	NM	D-P	300	12.9	14.7
Continental Illinois	NM	P-D	1015	–17.5	0.5
Control Data	NM	D-D	770	2.2	–2.4
Copperweld	NM	D-P	1007	–14.6	–35.2
Craig	NM	318.6	1022	–38.1	500.0
Crane	NM	122.7	916	–4.2	8.4
Crown Central Pet	NM	D-D	946	–6.4	–14.4
Cummins Engine	NM	D-P	572	6.1	20.2
DWG	NM	D-P	48	37.9	4.2
Datapoint	NM	D-D	925	–4.9	–4.0
DeKalb	NM	D-P	943	–6.2	–13.2
Deere	NM	D-D	957	–6.8	–5.4
Delta Air Lines	NM	229.5	566	6.2	31.7
Di Giorgio	NM	P-D	652	4.6	6.0
Diversified Energies	NM	D-P	551	6.5	–23.8
Dravo	NM	P-D	995	–12.3	–24.8
Dresser Industries	NM	D-D	901	–3.2	–18.8
EF Hutton Group	NM	P-D	201	17.1	–1.8
Eagle-Picher Inds	NM	D-P	746	2.8	0.9
Earle M Jorgensen	NM	P-D	905	–3.6	9.5
Eastern Gas & Fuel	NM	–70.6	825	0.2	–35.1
Ecolab	NM	81.4	650	4.7	9.3
Edgcomb	NM	P-D	20	62.3	–5.7
Emery Air Freight	NM	D-D	375	10.8	26.1
Emhart	NM	D-P	739	3.1	19.0
Empire of America	NM	P-D	62	31.5	–5.3
Enserch	NM	D-P	914	–3.9	–5.9
Entex	NM	D-D	919	–4.7	–3.3
Fairchild Industries	NM	P-D	992	–11.8	–47.6
Fedl Natl Mortgage	NM	43.[illegible]	319	12.2	–6.5
Finl Corp of Amer	NM	P-D	24	56.7	–10.6
Firestone	NM	500.0+	899	–3.1	2.7
First City Bancorp	NM	D-D	859	–0.9	–24.6
Fischbach	NM	D-D	845	–0.3	–0.2
Fisher Foods	NM	D-D	1000	–12.9	–10.2
Fluor	NM	D-D	976	–8.8	–2.5
Foxboro	NM	D-D	875	–2.1	–8.7
GAF	NM	38.9	734	3.2	8.6
GATX	NM	83.1	1004	–13.7	–4.4
GTE	NM	D-P	523	7.4	–0.2
Gearhart Industries	NM	D-D	437	9.1	–46.2
Gelco	NM	D-D	871	–1.7	–0.9
General Dynamics	NM	–95.9	359	11.3	4.3
General Instrument	NM	D-D	915	–4.2	27.3
Genesco	NM	D-P	928	–5.1	–14.6
Getty Petroleum	NM	–61.6	32	43.9	–4.9
Gould	NM	D-P	987	–10.7	–11.4
Great American Mgmt	NM	D-P	36	42.9	48.1
Grossman's	NM	D-P	931	–5.1	–15.7

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available. NM: Not meaningful. ‡Four-year growth. ‡‡Three-year growth.

WHO'S WHERE IN GROWTH

Company	Earnings per share 5-year average	Earnings per share latest 12 months	Sales rank	Sales 5-year average	Sales latest 12 months
Gulf & Western	NM	38.2%	1006	–14.5%	22.8%
HH Robertson	NM	D-D	877	–2.1	–5.4
Halliburton	NM	D-P	1008	–14.9	–18.1
Handy & Harman	NM	D-D	837	–0.1	6.7
Harnischfeger Inds	NM	D-P	763	2.5	45.3
Honeywell	NM	P-D	783	1.9	–8.9
IC Industries	NM	D-P	792	1.6	–5.2
IU International	NM	D-P	945	–6.4	–5.4
Ideal Basic Inds	NM	D-D	990	–10.9	–12.7
Ingersoll-Rand	NM	96.9	888	–2.8	–3.1
Inland Steel Inds	NM	D-P	869	–1.6	9.1
Integrated Resources	NM	500.0+	41	40.5	36.3
Intel	NM	D-P	329	12.1	37.7
Intermark	NM	D-P	68	30.3	10.4
Interstate Bakeries	NM	–26.2	769	2.3	6.3
Intl Minerals & Chem	NM	D-P	955	–6.7	32.6
JP Stevens	NM	38.6	896	–3.0	–8.5
KaiserTech	NM	D-D	968	–7.8	–5.2
Kansas City Southern	NM	P-D	559	6.3	7.3
Kerr Glass Mfg	NM	D-P	1010	–15.4	–0.5
Kerr-McGee	NM	D-P	952	–6.7	–10.2
Koppers	NM	D-P	939	–5.7	3.3
LB Foster	NM	D-D	839	–0.2	–39.8
LTV	NM	D-D	596	5.5	1.3
Lafarge	NM	119.7	692	4.0	20.6
Lone Star Industries	NM	276.8	843	–0.2	–9.1
Lorimar-Telepictures	NM	D-D	56	33.5	23.0
Louisiana Land	NM	D-D	956	–6.7	–15.1
Lukens	NM	335.0	803	1.2	18.1
MCI Communications	NM	P-D	35	43.1	12.6
MCorp	NM	D-D	135	22.3	–17.7
Mack Trucks	NM	D-P	515	7.5	7.3
Manhattan Industries	NM	P-D	820	0.4	–14.9
Manville	NM	88.0	862	–1.2	7.0
Martin Marietta	NM	7.4	519	7.4	8.5
Mattel	NM	P-D	876	–2.1	2.6
McDermott Intl	NM	P-D	944	–6.3	2.0
Meritor Financial	NM	D-D	154	20.5	2.7
Michigan National	NM	28.2	774	2.1	4.2
Monsanto	NM	500.0+	817	0.6	4.2
Moore McCormack	NM	D-P	967	–7.8	–11.6
Murphy Oil	NM	P-D	985	–10.1	–11.9
NL Industries	NM	D-D	996	–12.3	–3.6
National Intergroup	NM	D-D	864	–1.3	15.8
National-Standard	NM	P-D	886	–2.6	8.0
Natl Semiconductor	NM	D-D	419	9.5	20.0
Newmont Mining	NM	350.0	991	–11.7	–37.6
Nicor	NM	D-P	878	–2.2	–16.7
No Indiana Pub Svc	NM	D-P	797	1.5	–16.7
Northwestern Steel	NM	75.6	927	–5.0	11.6
Norton	NM	D-D	890	–2.9	2.7
Ogden	NM	D-P	1018	–19.1	–8.4
Olin	NM	–8.7	884	–2.4	8.5
Omnicom Group	NM	500.0+	388	10.3‡‡	5.4
Orion Capital	NM	D-D	268	14.2	5.3
PS Group	NM	500.0+	217	16.4	–46.8
Pacific Resources	NM	–90.3	895	–3.0	–3.0
Panhandle Eastern	NM	D-D	924	–4.9	–28.6
Penn Central	NM	21.9	950	–6.5	–33.7
Pennwalt	NM	57.3	800	1.4	6.9
Perini	NM	152.8	894	–3.0	–4.1
Phelps Dodge	NM	120.7	973	–8.1	52.6
Pittston	NM	50.0	1003	–13.5	4.5
Premier Bancorp	NM	D-D	309	12.7	–3.9
Public Service NH	NM	–5.0	690	4.1	0.6

Company	Earnings per share 5-year average	Earnings per share latest 12 months	Sales rank	Sales 5-year average	Sales latest 12 months
Resorts Intl	NM	D-D	668	4.4%	8.4%
Reynolds Metals	NM	252.2	773	2.1	8.8
Roper Corp	NM	55.3	528	7.2	23.7
Ross Stores	NM	P-D	9	90.3‡‡	25.6
Santa Fe Southern	NM	–96.1	860	–1.0	–5.6
Schlumberger	NM	D-D	893	–3.0	–23.5
Service Merchandise	NM	D-D	138	21.7	10.1
Smith International	NM	D-D	1013	–17.0	–46.3
Sonat	NM	D-D	948	–6.5	–26.1
Soo Line	NM	D-D	192	17.6	–4.8
St Paul Cos	NM	71.8	435	9.1	8.9
Stewart & Stevenson	NM	D-P	988	–10.8	9.1
Stewart-Warner	NM	P-D	889	–2.9	–3.6
Stone Container	NM	500.0+	42	40.1	62.4
Storage Technology	NM	–68.2	972	–8.0	6.7
TIE/Communications	NM	D-D	155	20.2	–18.3
TRW	NM	87.2	720	3.5	11.1
Tenneco	NM	D-D	854	–0.6	–4.3
Tesoro Petroleum	NM	D-D	984	–10.0	–10.4
Texas American Bcsh	NM	D-D	587	5.7	–16.0
Texas Instruments	NM	D-P	685	4.2	11.3
Thorn Apple Valley	NM	D-D	636	4.8	–2.9
Timken	NM	D-D	897	–3.0	5.5
Todd Shipyards	NM	D-D	1001	–12.9	–15.8
Tosco	NM	D-D	1020	–25.2	8.6
Transco Energy	NM	D-D	828	0.2	–14.6
Triangle Industries	NM	–39.1	23	58.3	75.6
Trinity Industries	NM	–42.5	930	–5.1	12.8
Turner Broadcasting	NM	D-D	47	38.2	24.7
UGI	NM	D-P	949	–6.5	–5.9
UNC	NM	115.2	308	12.7	16.0
US Home	NM	D-P	898	–3.1	–1.2
USF&G	NM	–12.2	274	13.9	10.8
USLife	NM	–0.9	595	5.6	7.1
USX	NM	D-D	821	0.3	–22.5
Union Carbide	NM	–76.8	947	–6.4	–5.7
Union Pacific	NM	D-P	748	2.8	–19.4
Union Texas	NM	D-D	982	–9.8‡	–25.7
Unisys	NM	P-D	258	–14.6	43.5
Valero Energy	NM	D-P	809	1.0	–57.1
Varian Associates	NM	D-P	455	8.6	10.3
WR Grace	NM	P-D	977	–8.8	–20.6
Warner Comm	NM	3.6	971	–8.0	19.9
Warner-Lambert	NM	D-P	863	–1.3	10.9
Wendy's Intl	NM	–84.6	170	19.2	–9.2
Western Co No Amer	NM	D-D	1017	–19.0	–45.4
Western Union	NM	D-D	819	0.4	–18.1
Westmoreland Coal	NM	–63.3	775	2.1	–1.5
Wheeling-Pittsburgh	NM	D-D	891	–2.9	25.6
Whittaker	NM	D-P	1019	–21.4	–27.3
Williams Cos	NM	D-D	580	5.9	–31.6
Wilson Foods	NM	D-P	983	–9.8	–7.3
Wyman-Gordon	NM	D-D	980	–9.3	–9.7
Zapata	NM	D-D	1009	–14.9	–37.0
Zenith Electronics	NM	D-D	439	9.0	27.8
Alco Health Services	NA	15.8	99	27.6	34.8
Allegheny Ludlum	NA	NA	629	4.9‡	NA
Allis-Chalmers	NA	D-D	1014	–17.3	–15.8
AmeriFirst Federal	NA	NA	502	7.6	–22.3
American Tel & Tel	NA	–81.1		NA	–3.3
Anchor Glass	NA	–15.8	237	15.6	11.7
Anchor Savings Bank	NA	NA	65	31.1‡	–5.5
Aristech Chemical	NA	NA	833	0.0	NA
Atlantic Financial	NA	–77.4	33	43.8	19.9
Bear Stearns Cos	NA	–27.9	86	28.4	15.9

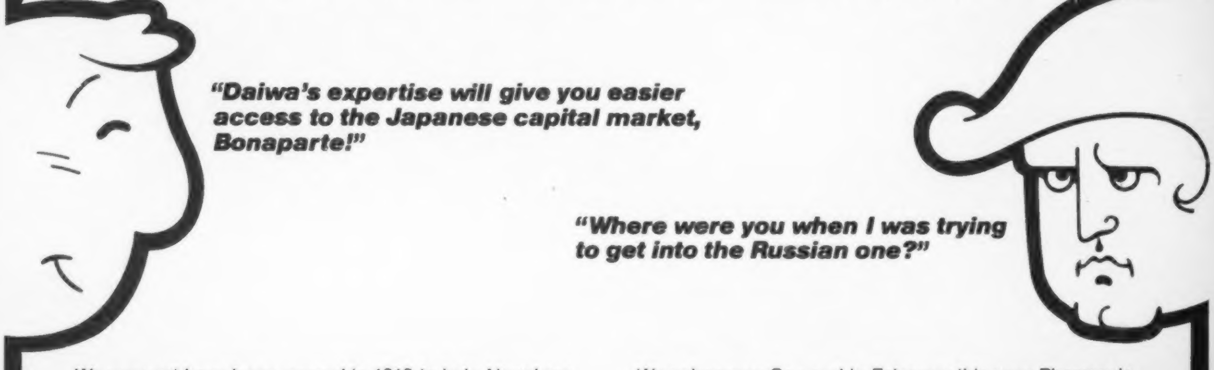
D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available. NM: Not meaningful. ‡Four-year growth. ‡‡Three-year growth.

WHO'S WHERE IN GROWTH

Company	Earnings per share		Sales		
	5-year average	latest 12 months	rank	5-year average	latest 12 months
Benj Franklin S&L	NA	NA	619	5.2%‡‡	–5.6%
Boys Markets	NA	NA	539	6.9‡	NA
Businessland	NA	200.0%	3	237.4‡‡	44.2
Carteret Bancorp	NA	11.8	92	28.0	2.3
Castle & Cooke	NA	–48.8		NA	5.5
CenTrust Savings Bk	NA	D-D	80	28.8	20.7
Child World	NA	0.0	132	22.9	25.4
Coast S&L Assoc	NA	23.7	160	19.6	18.1
Costco Wholesale	NA	–6.7		NA	83.7
CrossLand Savings FSB	NA	3.9	188	17.8	16.5
Cyprus Minerals	NA	D-P	488	8.0	–9.1
Diamond Shamrock	NA	NA	978	–9.2‡‡	–11.7
Dime Savings Bank	NA	NA	425	9.4	2.3
E-II Holdings	NA	NA	445	8.8‡	9.3
Fireman's Fund	NA	105.4	606	5.4	14.7
First Pennsylvania	NA	D-D	923	–4.9	–3.8
Florida Federal S&L	NA	D-D	198	17.4	–2.7
Foodmaker	NA	42.9	719	3.5‡	7.5
Fruit of the Loom	NA	NA	532	7.0‡	27.9
GM Hughes Electron	NA	10.1	112	25.7	0.4
General Refractories	NA	122.2	879	–2.2	–29.2
Georgia Gulf	NA	109.6	342	11.6‡	10.6
Goldome	NA	NA	172	19.0‡	NA
Henley Group	NA	NA	66	30.7	8.8
Hills Dept Stores	NA	NA	671	4.4‡	NA
Himont	NA	95.1		NA	11.0
Home Group	NA	500.0+	900	–3.2	10.8
Home Shopping	NA	50.0		NA	263.5
IBP	NA	NA	544	6.8‡	NA
Imperial Corp of Am	NA	186.4	196	17.5	8.7
Inco	NA	D-P	868	–1.5	10.3
Inspiration Resources	NA	D-D	517	7.5%	5.4%
Leslie Fay Cos	NA	–18.3%	169	19.3	3.9
Masco Industries	NA	313.2	384	10.4	105.0
Maxus Energy	NA	NA		NA	NA
Morgan Stanley	NA	30.0	59	32.8	28.4
Navistar Intl	NA	P-D	989	–10.9	4.7
Neiman-Marcus Group	NA	NA	204	17.0‡	NA
PACE Membership	NA	D-P	2	242.8‡‡	74.7
Pan Am	NA	P-D	909	–3.7	11.9
Pay'n Save	NA	NA		NA	NA
Premark Intl	NA	P-D	761	2.5‡	12.7
Pullman	NA	–5.0	5	166.3‡	8.4
SSMC	NA	NA	993	–11.9	7.8
Savin	NA	D-D	902	–3.3	–7.0
Standard Fedl Bank	NA	NA	43	39.4	3.0
TCF Banking & Sav	NA	–65.6	166	19.4	–7.4
Talman Home Fedl	NA	NA	633	4.9	–8.8
Texas Air	NA	P-D	60	32.7	271.6
Tiger International	NA	D-P	961	–7.1	4.8
Toro	NA	32.6	313	12.6	48.2
Trans World Airlines	NA	D-P	846	–0.3	26.2
UNUM Corp	NA	NA	209	16.8	2.5
United Financial	NA	D-D	78	28.9	–2.1
United Merchants	NA	D-D	564	6.2	–2.3
Varity Corp	NA	P-D	999	–12.8	12.3
Viacom	NA	NA	81	28.7	15.9
Vista Chemical	NA	P-D	665	4.5	10.7
Vons Cos	NA	NA	602	5.5‡	NA
Western Auto Supply	NA	NA	687	4.2	20.6
York International	NA	NA	708	3.7	31.9

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available. NM: Not meaningful. ‡Four-year growth. ‡‡Three-year growth.

FAMOUS DAIWA DIALOGUES


"Daiwa's expertise will give you easier access to the Japanese capital market, Bonaparte!"
"Where were you when I was trying to get into the Russian one?"

We may not have been around in 1812 to help Napoleon, but ever since the Tokyo Stock Exchange opened its doors to foreign companies, we have been a leading contributor in helping them to list their shares. The number totals 20, more than a third of the foreign names currently listed. In 1986 we handled nearly 30% of the total trading of foreign stocks, and our unrivaled market authority means the shares we have helped to list have turned out to be those most heavily traded. In August and September 1986 Eastman Kodak and Chrysler were listed; later PepsiCo, Inc., BTR plc, American Information Technologies Corp. and Weyerhaeuser Co.; and in February this year Pharmacia Aktiebolag of Sweden followed suit – all with a little help from Daiwa. So if you have a yen to get into the Japanese capital market, it is good strategy to consult us. Napoleon would agree.

Ask Daiwa.

DAIWA

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WHO'S WHERE IN THE STOCK MARKET

In less than a month, the stock market gave up half of what it had taken five years to gain. That brought the long-term return on stocks from the superlative down to the merely good.

By Steve Kichen

A YEAR AGO THE 1,012 companies in this survey boasted an average five-year stock price gain of 165.2%. The mid-October plunge in stock prices cut that gain by more than half, to just under 80%. Still, a gain of nearly 80% over five years works out to a compound annual gain of 12.4%. Not magnificent, but not bad, either.

In this year's group only 21% show a lower price now than they did five years ago. Meanwhile, 17% are up at least 25%. Another 53% gained 45% or more. Exactly 100 industry survey stocks—under 1 in 10—gained 200% or more in the last half-decade. In all, stocks were a good place to have been—even if you were caught in the October crash.

Circuit City Stores, a Richmond, Va.-based consumer electronics retailer, tops FORBES' five-year performance list. Despite a severe beating last fall it still showed a 1,048% increase. This rapidly growing company operates electronics supermarkets. Runner-up was Tyson Foods, a poultry processor, up 921%. Gains of 600% or more were posted by Mayfair Super Markets, United Artists, Minstar, Marion Laboratories, Triangle Industries and Liz Claiborne. (The last named is 1987's most innovative company in the apparel industry. See page 75.)

Where were investors burned? Worst cases were three banks, two in Texas: First City Bancorp fell 96.9%; Financial Corp. of America, 89.9%; and MCorp, 86.2%. Western Union lost 94.7% of its value over the past five years. The third-worst performance came from Storage Technology, which lost 93.5% and is now working its way out of Chapter 11 bankruptcy proceedings. Savin Corp. fell 91.3%.

There's a lesson here—though a hard one to profit from. The lesson is that yesterday's leaders often become tomorrow's laggards—and vice versa. The aforementioned Savin and Storage Technology were once Wall Street leaders. In 1980 Savin showed a 1,457% five-year gain; an increase of 1,226% gave Storage Technology fourth place in 1982. By contrast, in 1982 Ford and Great Atlantic & Pacific Tea were among the worst-performing stocks. This year they are in the top 30 in five-year gains. For some thoughts on how to profit from these inevitable reverses in fortune see page 50.

Where does the market go from here? It is well to remember that the stock market is not cheap—even after losing a third of its value in a couple of weeks last autumn. The Wilshire index was selling at 23 times earnings prior to the October crash, but it's still not a bargain selling at about 16 times earnings. There is one strong positive that ought to be reassuring to the contrarians among us: It was difficult at the end of the year to find a flaming optimist anywhere. ■

WHO'S WHERE IN THE STOCK MARKET

Rank												
87	86	Company	5-year price change	1983-87 price range	Recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield	Book value (per share)	Book value/ recent price
196	203	Abbott Laboratories	137.4	67 –17⅛	46	$2.64	17.4	2.48	$1.00	2.2%	$ 7.77	0.17
792	375	Advanced Micro	–18.4	44⅛– 9½	10¼	–0.96	def	0.90	none	0.0	7.26	0.71
588	765	Aetna Life & Cas	35.4	68¼–27¼	49¼	7.76	6.3	0.25	2.76	5.6	49.13	1.00
421	138	HF Ahmanson	67.6	28¾– 5¼	15½	2.40	6.5	0.56	0.88	5.7	17.14	1.11
318	581	Air Prods & Chems	99.3	53⅞–15½	36¼	2.83	12.8	0.95	1.00	2.8	19.21	0.53
763	NR	Airborne Freight	–10.5	36 –11½	12¾	1.63	7.8	0.14	0.60	4.7	15.65	1.23
89	NR	Alberto-Culver	212.3	28¼– 4½	19	1.28	14.8	0.51	0.24	1.3	8.37	0.44
269	190	Albertson's	113.7	34 – 9⅞	25¼	1.65	15.3	0.30	0.48	1.9	8.90	0.35
599	733	Alcan Aluminium	31.8	37⅞–14⅞	24½	2.12	11.6	0.60	0.60	2.4	19.84	0.81
NR	NR	Alco Health Services	NA	25½–10½	12⅛	1.39	9.0	0.09	none	0.0	9.89	0.79
633	505	Alco Standard	24.2	30 –13⅛	18⅝	1.81	10.3	0.23	0.68	3.6	10.60	0.57
811	806	Alexander & Alexander	–22.2	42⅜–17	19¾	1.43	13.8	0.74	1.00	5.1	7.74	0.39
57	48	Alexander & Baldwin	263.7	64 – 9⅝	39¼	4.44	8.8	1.64	1.36	3.5	19.95	0.51
48	124	Alexander's	288.4	59 – 9¼	37⅜	0.27	NM	0.32	none	0.0	18.68	0.50
920	923	Allegheny Intl	–79.8	36¼– 4½	5⅝	–25.18	def	0.05	none	0.0	8.70	1.55
NR	NR	Allegheny Ludlum	NA	34 –15⅛	19¼	NA	NA	0.52	0.40	2.1	1.21	0.06
454	261	Allegheny Power	61.1	53½–21	38¼	4.12	9.3	1.05	2.92	7.6	26.94	0.70
262	185	Allegis	115.8	105⅞–27⅞	71¾	1.94	37.0	0.47	1.00	1.4	45.69	0.64
812	675	Allen Group	–22.3	27¼– 7½	7¾	–2.37	def	0.15	0.56	7.2	14.21	1.83
911	892	Allied Bancshares	–72.8	27½– 4	5⅛	–5.70	def	0.25	none	0.0	14.78	2.88
527	719	Allied-Signal	48.3*	54½–18½	32	3.39	9.4	0.49	1.80	5.6	21.05	0.66
926	949	Allis-Chalmers	–84.6	19⅜– 1⅜	1½	–1.87	def	0.03	none	0.0	–1.04	NE
321	397	Alltel	98.5	34⅛–13¼	28¼	1.92	14.7	1.28	1.52	5.4	15.53	0.55
556	730	Alcoa	43.2	64¾–29¼	44⅜	2.95	15.0	0.75	1.20	2.7	41.99	0.95
218	704	AM International	131.6	9⅜– 1⅞	5½	–0.09	def	0.24	none	0.0	4.22	0.77
807	944	AMAX	–21.2	32¾–10½	17⅛	2.17	7.9	0.56	none	0.0	10.76	0.63
325	702	Amdahl	97.5	50⅛– 9½	29⅜	2.37	12.4	1.12	0.20	0.7	10.38	0.35
744	819	Amerada Hess	–5.0	41⅞–16½	23¾	2.88	8.2	0.45	0.60	2.5	24.29	1.02
797	518	American Bankers	–19.1	17¼– 7½	7⅝	–2.51	def	0.15	0.50	6.6	12.39	1.62
344	453	American Brands	87.5	60 –21¾	43	2.10	20.5	0.82	2.20	5.1	22.95	0.53
804	NR	American Building	–20.5	30⅜–16½	16½	1.05	15.7	0.12	0.90	5.5	18.09	1.10
38	13	American Continental	312.7	13 – 3⅛	6⅞	1.04	6.6	0.17	none	0.0	4.87	0.71
261	328	American Cyanamid	115.8	57 –16½	37½	3.48	10.8	0.84	1.05	2.8	18.70	0.50
538	632	American Electric	46.5	31⅝–15⅛	26	2.92	8.9	1.03	2.26	8.7	20.71	0.80
503	365	American Express	53.3	40⅝–12½	24⅜	2.30	10.7	0.60	0.76	3.1	12.60	0.51
24	20	American Family	350.0	18¾– 2¾	13	1.42	9.2	0.59	0.24	1.8	5.55	0.43
413	348	American General	70.0	46¾–17⅝	31⅜	4.64	6.8	0.62	1.25	4.0	33.06	1.05
773	224	American Greetings	–13.9	42 –15⅜	16¼	1.75	9.3	0.45	0.66	4.1	16.32	1.00
866	914	American Hoist	–40.8	17⅜– 4¾	6⅞	–8.18	def	0.15	none	0.0	6.17	0.90
466	520	American Home Prod	58.1	96¾–41¾	70¾	5.60	12.6	2.07	3.34	4.7	16.01	0.23
303	494	American Intl Group	104.1	83¾–25½	64½	6.46	10.0	1.00	0.25	0.4	28.91	0.45
668	484	American Maize	15.2	26⅝–10	12⅜	2.31	5.4	0.14	0.52	4.2	22.59	1.82
897	862	American Medical	–55.8	37¼–10⅝	12⅛	1.26	9.6	0.39	0.72	5.9	10.21	0.84
434	247	American Natl Ins	65.6	50¾–14	25¼	6.91	3.7	0.83	1.32	5.2	48.58	1.92
723	858	American Petrofina	0.4	75 –38⅜	59¼	5.72	10.4	0.34	none	0.0	49.61	0.84
537	731	American President	47.4†	51 –11⅞	28½	3.24	8.8	0.34	0.50	1.8	26.48	0.93
655	712	American Standard	18.8	55 –22⅞	35⅜	3.68	9.7	0.34	1.80	5.1	25.27	0.71
180	60	American Stores	144.6	86¼–18¾	53	4.01	13.2	0.11	0.84	1.6	29.31	0.55
448	713	American Tel & Tel	62.2†	35⅞–14⅞	29	0.31	NM	0.93	1.20	4.1	12.66	0.44
NR	NR	AmeriFirst Federal	NA	20 – 8	12½	NA	NA	0.33	none	0.0	16.54	1.32
319	562	Ameritech	98.8†	101½–41⅜	85½	9.05	9.4	1.29	5.00	5.8	53.23	0.62
309	327	AmeriTrust	102.8	27¼– 8⅛	18⅛	0.69	26.3	0.83	1.00	5.5	19.86	1.10
317	33	Ames Dept Stores	99.3	34⅝– 5⅜	11⅛	0.64	17.4	0.21	0.10	0.9	10.51	0.94
531	672	Ametek	47.8	19¾– 8¼	12⅝	0.92	13.7	0.92	0.60	4.8	5.28	0.42
646	838	Amfac	21.2	40¾–18⅛	31½	–2.04	def	0.25	none	0.0	22.45	0.71
415	740	Amoco	69.8*	90¼–38¼	67½	4.49	15.0	0.89	3.30	4.9	44.29	0.66
648	NR	Amoskeag	19.9	91 –15	18⅞	2.48	7.6	0.02	0.60	3.2	42.64	2.26
339	488	AMP	89.4	71½–20⅝	43	2.09	20.6	2.12	0.90	2.1	10.50	0.24
700	819	Ampco-Pittsburgh	5.3	24 –11⅛	12½	–3.75	def	0.35	0.30	2.4	15.14	1.21
606	80	AMR	30.3	65½–18½	32¼	3.36	9.6	0.28	none	0.0	42.30	1.31
203	NR	AmSouth Bancorp	134.8	38½–10⅛	24⅛	3.22	7.5	0.92	1.16	4.8	19.71	0.82
NR	NR	Anchor Glass	NA	30½–10½	16⅜	1.52	10.8	0.35	0.08	0.5	4.38	0.27
NR	NR	Anchor Savings Bank	NA	13 – 4½	5¾	NA	NA	0.15	none	0.0	19.80	3.44
99	163	Anheuser-Busch Cos	201.2	40⅛– 9	32⅜	1.98	16.4	1.07	0.60	1.9	8.74	0.27

Note: Except as indicated, price changes are from Dec. 31, 1982 to Nov. 18, 1987. NR: Not ranked due to merger, spinoff, new issue or conversion to stock company. Range is for period since such change. *Price change does not reflect the value of shares received in a spinoff. †Four-year price change. ††Three-year price change. ‡Does not include stock dividends given in another company as part of the dividend. NA: Not available. NE: Negative equity. NM: Not meaningful. def: Deficit.

Sources: Forbes; William O'Neil & Co.

WHO'S WHERE IN THE STOCK MARKET

Rank 87	Rank 86	Company	5-year price change	1983-87 price range	Recent price	Latest 12-month earnings per share	Price/earnings ratio	Price/sales ratio	Indicated annual dividend	Current yield	Book value (per share)	Book value/recent price
396	456	**AON**	74.7	32¾– 13	24⅛	$3.31	7.3	0.71	$1.20	5.0%	$17.09	0.71
186	662	**Apple Computer**	142.7	59¾– 7⅛	36¼	1.65	22.0	1.71	0.32	0.9	5.54	0.15
402	538	**Archer-Daniels**	72.6	27¾– 8⅜	19⅜	1.64	11.8	0.56	0.10	0.5	13.71	0.71
59	26	**Arden Group**	254.8	63 – 4⅞	27½	2.98	9.2	0.16	1.20	4.4	15.70	0.57
NR	NR	**Aristech Chemical**	NA	39 – 16¾	21⅛	2.31	9.1	0.64	0.72	3.4	11.97	0.57
233	59	**Arkansas Best**	125.3	30¼– 3⅞	10	0.69	14.5	0.14	0.36	3.6	10.93	1.09
758	794	**Arkla**	–9.3	29⅞– 15⅝	15⅞	1.24	12.8	0.75	1.08	6.8	10.65	0.67
873	950	**Armco**	–43.5	23⅜– 4⅛	9¼	1.51	6.1	0.28	none	0.0	6.57	0.71
221	173	**Armstrong World Inds**	130.3	47⅜– 10⅝	28½	3.00	9.5	0.60	0.90	3.2	16.86	0.59
680	583	**Armtek**	11.5	29½– 11¾	17	2.08	8.2	0.14	0.48	2.8	18.74	1.10
906	927	**Arrow Electronics**	–67.5	34 – 3⅛	6¼	–0.75	def	0.07	none	0.0	9.46	1.51
378	148	**Arvin Industries**	78.9	39¾– 7¾	17	2.60	6.5	0.23	0.68	4.0	15.93	0.94
808	903	**Asarco**	–21.4	44¼– 10	22⅞	3.89	5.9	0.75	none	0.0	20.42	0.89
369	603	**Ashland Oil**	80.2	71¾– 20¾	52¼	4.27	12.2	0.25	1.80	3.4	29.84	0.57
785	NR	**Guy F Atkinson**	–17.9††	20¼– 12⅝	13⅛	1.06	12.4	0.12	0.64	4.9	21.41	1.63
123	250	**Atlanta Gas Light**	180.0	26⅜– 7¾	21⅞	2.04	10.7	0.41	1.76	8.0	16.74	0.77
484	446	**Atlantic Energy**	56.0	46⅝– 19⅞	32⅜	3.42	9.5	0.93	2.68	8.3	25.67	0.79
832	NR	**Atlantic Financial**	–27.1†	19⅛– 6¼	6⅜	0.52	12.3	0.04	0.28	4.4	27.95	4.38
403	747	**Atlantic Richfield**	72.3	99⅛– 36¾	72⅜	5.17	14.0	0.84	4.00	5.5	28.79	0.40
228	324	**Automatic Data**	126.4	54½– 14¾	41⅞	1.84	22.8	2.25	0.44	1.1	11.29	0.27
312	298	**Avery International**	101.4	29¼– 8⅜	18¼	1.67	10.9	0.57	0.42	2.3	8.79	0.48
822	769	**Avnet**	–23.7	50 – 18½	22⅞	0.81	28.2	0.50	0.50	2.2	18.42	0.81
761	827	**Avon Products**	–9.8	38⅝– 17⅞	24⅛	2.23	10.8	0.53	2.00	8.3	9.76	0.40
541	367	**Bairnco**	46.1*	42⅛– 15½	23¼	2.64	8.8	0.39	0.80	3.4	18.25	0.78
NR	NR	**Baker Hughes**	NA	27¼– 11⅝	14	–2.22	def	0.85	0.46	3.3	9.53	0.68
195	110	**Ball Corp**	137.5	48½– 11¼	34	2.75	12.4	0.74	0.96	2.8	15.85	0.47
862	882	**Bally Manufacturing**	–39.0	28⅛– 10½	14¼	1.62	8.8	0.25	0.20	1.4	15.88	1.11
251	257	**Baltimore G&E**	119.1	39⅞– 13⅞	31½	3.46	9.1	1.35	1.90	6.0	20.73	0.66
474	301	**Banc One**	57.3	33⅛– 12⅛	22¼	1.98	11.2	1.13	0.92	4.1	13.81	0.62
327	344	**Bank of Boston**	96.7	38 – 9⅝	22⅛	1.83	12.1	0.35	1.00	4.5	24.47	1.11
NR	245	**Bank of New England**	NA	39½– 21⅜	24⅛	2.73	8.8	0.67	1.24	5.1	22.45	0.93
387	343	**Bank of New York**	77.2	46¾– 15½	29⅜	0.98	30.0	0.48	1.80	6.1	31.76	1.08
901	880	**BankAmerica**	–57.8	25½– 5¼	8½	–6.53	def	0.13	none	0.0	20.78	2.44
433	402	**Bankers Trust NY**	65.7	55¼– 17⅞	30¾	–2.60	def	0.45	1.66	5.4	38.78	1.26
248	NR	**CR Bard**	119.8	50¼– 9½	33¼	2.03	16.4	1.56	0.48	1.4	9.11	0.27
363	617	**Barnes Group**	81.0	40¾– 17⅛	31	2.53	12.3	0.44	1.20	3.9	19.27	0.62
149	191	**Barnett Banks**	162.5	41¾– 10½	31½	3.14	10.0	0.79	0.92	2.9	19.06	0.61
482	714	**Bausch & Lomb**	56.3	49⅝– 17½	35¾	2.70	13.2	1.32	0.86	2.4	16.31	0.46
737	800	**Baxter International**	–3.9	31⅜– 11¾	23¼	1.00	23.3	0.84	0.44	1.9	12.20	0.52
236	264	**BayBanks**	125.0	52 – 13¼	33¾	4.52	7.5	0.68	1.44	4.3	28.30	0.84
NR	NR	**Bear Stearns Cos**	NA	25⅜– 8	10¾	1.72	6.2	0.45	0.48	4.5	9.27	0.86
750	828	**Bearings**	–8.0	45¾– 28⅜	33⅛	1.86	17.8	0.25	1.00	3.0	33.85	1.02
205	540	**Becton Dickinson**	134.1	69 – 15⅜	49¾	3.42	14.5	1.25	0.86	1.7	19.62	0.39
44	137	**Bell & Howell**	301.7	75¼– 12¾	60¼	2.24	26.9	0.70	0.62	1.0	25.88	0.43
282	537	**Bell Atlantic**	110.4†	79¾– 32½	68⅝	6.17	11.1	1.33	3.84	5.6	41.82	0.61
314	553	**BellSouth**	101.0†	46 – 18⅛	37⅝	3.74	10.1	1.51	2.20	5.8	23.15	0.62
49	99	**Bemis**	288.1	42 – 8¼	32½	2.20	14.8	0.45	0.72	2.2	15.47	0.48
478	172	**Beneficial Corp**	56.7	78⅝– 19⅝	38⅜	–1.45	def	0.75	2.00	5.2	26.00	0.68
NR	NR	**Benj Franklin S&L**	NA	10½– 4¼	4¾	NA	NA	0.07	none	0.0	19.21	4.04
863	738	**Bergen Brunswig**	–39.1	37⅝– 14⅜	15¼	1.19	12.8	0.06	0.32	2.1	13.33	0.87
54	76	**Berkshire Hathaway**	267.7	4270 –755	2850	178.48	16.0	1.41	none	0.0	2073.06	0.73
896	836	**Best Products**	–55.7	26⅜– 6	7⅜	–0.64	def	0.10	none	0.0	14.33	1.94
853	945	**Bethlehem Steel**	–33.8	29½– 4⅜	12¾	2.20	5.8	0.15	none	0.0	13.99	1.10
841	427	**Beverly Enterprises**	–29.8	22⅜– 7⅝	9⅛	–0.19	def	0.25	0.20	2.2	10.01	1.10
256	576	**Big Bear**	117.7†	30 – 6½	18½	1.72	10.8	0.17	none	0.0	10.02	0.54
790	764	**Bindley Western Inds**	–18.3†	17⅛– 6¾	7¼	0.79	9.2	0.05	none	0.0	6.86	0.95
754	792	**Black & Decker**	–9.0	28⅝– 13	16½	0.95	17.4	0.50	0.40	2.4	10.61	0.64
184	438	**H&R Block**	143.2	33⅜– 8⅞	25⅜	1.44	17.7	1.87	0.88	3.5	6.82	0.27
637	633	**Blount**	23.1	21 – 8⅛	12	0.55	21.8	0.12	0.40	3.3	11.78	0.98
328	353	**Boatmen's Bancshares**	95.9	47½– 16¾	33½	4.12	8.1	0.77	1.84	5.5	31.14	0.93
441	202	**Boeing**	63.8	64⅞– 21¼	37	3.41	10.9	0.36	1.40	3.8	31.12	0.84
449	635	**Boise Cascade**	62.2	86⅞– 32½	63¼	5.21	12.1	0.48	1.90	3.0	51.52	0.81
128	81	**Borden**	178.0	63⅞– 15⅛	44⅛	3.45	12.8	0.54	1.28	2.9	19.53	0.44
584	14	**Borman's**	36.7	25¾– 4¼	12⅛	2.26	5.4	0.03	0.22	1.8	13.81	1.14

Note: Except as indicated, price changes are from Dec. 31, 1982 to Nov. 18, 1987. NR: Not ranked due to merger, spinoff, new issue or conversion to stock company. Range is for period since such change. *Price change does not reflect the value of shares received in a spinoff. †Four-year price change. ††Three-year price change. ‡Does not include stock dividends given in another company as part of the dividend. NA: Not available. NE: Negative equity. NM: Not meaningful. def: Deficit.

Sources: Forbes; William O'Neil & Co.

Rank 87	Rank 86	Company	5-year price change	1983-87 price range	Recent price	Latest 12-month earnings per share	Price/earnings ratio	Price/sales ratio	Indicated annual dividend	Current yield	Book value (per share)	Book value/recent price
512	437	**Boston Edison**	51.9	28 – 12⅛	19¾	$2.56	7.7	0.63	$1.82	9.2%	$19.25	0.97
589	NR	**Bowater**	35.4††	44½– 14⅞	27¾	1.79	15.5	0.89	0.80	2.9	15.29	0.55
NR	NR	**Boys Markets**	NA	19 – 9¾	10¾	1.09	9.9	0.21	none	0.0	1.48	0.14
829	700	**Briggs & Stratton**	–26.0	42 – 23⅝	26⅝	1.64	16.2	0.49	1.60	6.0	20.48	0.77
177	293	**Bristol-Myers**	146.1	55⅞– 15⅝	41⅜	2.40	17.2	2.26	1.68	4.1	9.90	0.24
37	325	**Brockway Inc (NY)**	315.9	60 – 9¾	47⅛	3.04	15.5	0.55	0.96	2.0	19.73	0.42
528	511	**Brooklyn Union Gas**	48.1	28⅞– 13⅝	22⅛	2.43	9.1	0.54	1.66	7.5	17.24	0.78
598	684	**Brown-Forman**	32.2	55⅜– 15½	31⅝	2.80	11.3	0.93	1.12	3.5	18.01	0.57
688	423	**Brown Group**	8.9	44¼– 22¾	30½	2.42	12.6	0.36	1.50	4.9	19.63	0.64
121	142	**Browning-Ferris Inds**	182.5	35¾– 6⅝	25⅛	1.15	21.9	2.22	0.48	1.9	5.11	0.20
115	37	**Bruno's**	190.7	12⅝– 3¼	10⅛	0.43	23.6	0.67	0.10	1.0	2.55	0.25
13	36	**Brunswick**	412.0	30¼– 2⅞	16	1.82	8.8	0.51	0.30	1.9	7.81	0.49
260	435	**Burlington Northern**	116.0	84¼– 25½	57⅜	4.57	12.6	0.65	2.20	3.8	47.90	0.83
211	547	**Business Men's Assur**	133.0	48¼– 14¼	33½	6.41	5.2	0.77	1.10	3.3	26.18	0.78
840	NR	**Businessland**	–29.8†	19 – 3	7⅜	0.45	16.4	0.27	none	0.0	4.01	0.54
703	773	**Butler Manufacturing**	4.3	37¼– 18½	27⅜	0.65	42.5	0.23	1.32	4.8	26.46	0.96
507	770	**Cabot**	52.7	49¼– 19	31⅞	1.42	22.5	0.62	0.92	2.9	21.16	0.66
238	519	**Caesars World**	124.1	35¾– 7⅛	16¼	1.30	12.5	0.63	none	0.0	11.87	0.73
672	711	**CalFed**	14.1†	42 – 11⅜	24¼	6.71	3.6	0.25	1.20	4.9	47.46	1.96
283	434	**California First Bk**	110.0	40¼– 15⅛	31¾	3.03	10.5	0.67	1.08	3.4	26.11	0.82
176	NR	**CalMat**	147.9††	37½– 8¾	26½	2.45	10.8	1.21	0.40	1.5	12.24	0.46
864	947	**Cameron Iron Works**	–40.5	25⅛– 8⅜	12½	–4.05	def	0.83	0.04	0.3	9.91	0.79
204	132	**Campbell Soup**	134.6	70¾– 20⅜	56¾	3.81	14.9	0.82	1.44	2.5	26.71	0.47
148	160	**Capital Cities/ABC**	163.7	450 –111½	315½	14.48	21.8	1.21	0.20	0.1	120.84	0.38
462	284	**Capital Holding**	58.9	38¾– 15⅛	28	4.64	6.0	0.44	0.88	3.1	24.16	0.86
788	NR	**Cardinal Distribution**	–18.2†	23 – 9	10¾	1.07	10.0	0.08	0.08	0.7	9.52	0.89
814	812	**Carlisle Cos**	–22.9	40¼– 22⅞	24⅞	2.24	11.1	0.40	1.12	4.5	21.73	0.87
523	65	**Carolina Freight**	49.8	42½– 12½	19¾	1.77	11.2	0.22	0.50	2.5	18.30	0.93
475	557	**Carolina Power & Lt**	57.0	42⅞– 19¼	33¾	3.92	8.6	1.32	2.76	8.2	28.74	0.85
755	884	**Carpenter Technology**	–9.0	58¼– 28½	36½	0.60	60.8	0.69	2.10	5.8	33.00	0.90
63	111	**Carson Pirie Scott**	246.1	55¾– 9⅞	40⅞	–2.45	def	0.42	none	0.0	22.15	0.54
NR	NR	**Carter Hawley Hale**	NA	19 – 6½	8¼	–7.19	def	0.06	none	0.0	NA	NA
384	601	**Carteret Bancorp**	77.7†	20⅝– 4¾	13⅜	2.52	5.3	0.28	0.30	2.2	19.05	1.42
NR	554	**Castle & Cooke**	NA	26⅝– 10⅛	16½	0.41	40.2	0.48	none	0.0	9.78	0.59
564	889	**Caterpillar**	41.8	74¾– 28⅜	56⅞	0.32	NM	0.73	0.50	0.9	31.86	0.56
878	907	**CBI Industries**	–46.3	42⅞– 18	20¾	0.60	34.6	0.37	0.60	2.9	23.99	1.16
110	300	**CBS**	194.6	226¼– 54½	176	17.30	10.2	0.91	3.00	1.7	40.76	0.23
535	628	**Centel**	47.5	50⅜– 20⅜	36¾	2.55	14.4	1.10	1.72	4.7	21.97	0.60
NR	NR	**Centerior Energy**	NA	27¾– 14⅞	17⅜	3.10	5.6	1.17	2.56	14.7	22.13	1.27
432	679	**Centerre Bancorp**	65.8	51¾– 18¼	31½	2.29	13.8	0.50	1.80	5.7	43.47	1.38
777	NR	**Centex**	–15.8††	40½– 15⅛	19¼	1.70	11.3	0.24	0.25	1.3	20.45	1.06
392	420	**Central & South West**	76.3	40½– 15½	30⅝	3.94	7.8	1.20	2.28	7.4	24.89	0.81
765	645	**Central Hudson G&E**	–11.3	39⅞– 16⅛	21⅝	3.90	5.5	0.73	2.96	13.7	31.18	1.44
587	366	**Central Ill Pub Svc**	35.5	30¾– 13¾	21	1.89	11.1	1.19	1.72	8.2	16.60	0.79
767	699	**Central Maine Power**	–12.5	20½– 7⅞	14⅞	1.32	11.3	0.60	1.40	9.4	14.74	0.99
271	639	**Central Steel & Wire**	113.0	490 –230	490	41.97	11.7	0.28	30.00	6.1	471.19	0.96
NR	NR	**CenTrust Savings Bank**	NA	13½– 4	8⅛	–0.50	def	0.10	1.00	12.3	24.06	2.96
562	381	**CertainTeed**	41.9	45¾– 15½	26¼	3.14	8.4	0.44	1.00	3.8	26.30	1.00
625	669	**Champion Intl**	25.3	44⅝– 16⅞	29¾	3.86	7.7	0.62	0.80	2.7	27.52	0.93
747	720	**Champion Spark Plug**	–7.0	16⅜– 7¾	9⅞	0.54	18.3	0.39	0.20	2.0	9.16	0.93
82	NR	**Charming Shoppes**	218.0	36¾– 3¾	13¼	0.96	13.8	1.13	0.12	0.9	3.07	0.23
909	926	**Charter**	–71.5	14½– 1	3⅛	0.97	3.2	0.15	none	0.0	0.81	0.26
400	232	**Charter Medical**	73.6	39 – 11⅝	25¾	1.69	15.2	0.98	0.24	0.9	7.26	0.28
683	742	**Chase Manhattan**	9.7	49½– 17⅞	26⅞	–11.50	def	0.22	2.16	8.0	52.95	1.97
719	616	**Chemical New York**	1.4	56¼– 23½	27⅜	–18.96	def	0.24	2.72	9.9	55.89	2.04
419	NR	**Chesapeake**	69.1	26⅝– 8¾	15½	1.10	14.1	0.48	0.48	3.1	10.62	0.69
624	804	**Chevron**	25.4	64⅝– 28	40⅛	2.05	19.6	0.56	2.40	6.0	45.29	1.13
103	NR	**Chicago Pacific**	198.8	59 – 21⅝	29⅜	3.31	8.9	0.22	0.20	0.7	34.28	1.17
NR	NR	**Child World**	NA	20¼– 9¾	10	0.85	11.8	0.17	none	0.0	15.81	1.58
111	8	**Chrysler**	193.2	48 – 6¼	23⅛	5.86	3.9	0.20	1.00	4.3	24.67	1.07
133	294	**Chubb**	174.9	78⅛– 20	60⅝	8.26	7.3	0.67	1.88	3.1	40.54	0.67
885	741	**Church's Fried**	–49.3	20¼– 5	6	0.25	24.0	0.54	0.46	7.7	7.22	1.20
662	776	**Cigna**	16.4	77¼– 27	51½	9.46	5.4	0.24	2.80	5.4	59.24	1.15
429	286	**CILCorp**	66.7	43⅜– 17⅝	31¼	3.47	9.0	0.90	2.34	7.5	23.59	0.75

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Sources: Forbes; William O'Neil & Co.

WHO'S WHERE IN THE STOCK MARKET

Rank			5-year price change	1983-87 price range	Recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield	Book value (per share)	Book value/ recent price
87	86	Company										
120	NR	**Cincinnati Bell**	184.0	26⅞– 8⅛	23¼	$2.32	10.0	1.41	$0.96	4.1%	$12.86	0.55
270	146	**Cincinnati Financial**	113.5	76⅛–19¾	45¾	5.60	8.2	0.79	1.52	3.3	37.13	0.81
593	637	**Cincinnati G&E**	34.2	31⅛– 8⅞	25	4.02	6.2	0.81	2.20	8.8	20.11	0.80
858	845	**Cincinnati Milacron**	–37.4	39 –14⅝	15⅞	0.49	32.4	0.45	0.72	4.5	12.00	0.76
307	120	**Circle K**	103.5	18⅝– 4¼	9¾	0.86	11.3	0.20	0.28	2.9	6.40	0.66
1	2	**Circuit City Stores**	1048.9	41⅝– 1⅜	20¾	1.89	11.0	0.40	0.08	0.4	6.73	0.32
657	560	**Citicorp**	18.5	34⅛–13¾	19¼	–5.63	def	0.20	1.35	7.0	27.96	1.45
254	320	**Citizens & Southern**	118.8	30½– 9⅞	23¼	2.41	9.6	0.77	1.12	4.8	16.27	0.70
895	54	**CityFed Financial**	–54.9	18⅛– 4	4	–0.59	def	0.06	0.04	1.0	14.50	3.63
786	873	**Clark Equipment**	–18.0	39⅛–15¾	21⅝	–1.82	def	0.38	none	0.0	20.91	0.97
266	116	**Clorox**	114.1	36 –10¼	26½	1.60	16.6	1.23	0.88	3.3	11.51	0.43
843	830	**CMS Energy**	–29.9	21⅞– 4⅛	13¾	1.53	9.0	0.42	none	0.0	22.31	1.62
78	208	**CNA Financial**	221.6	75 –17	55⅞	5.25	10.6	0.50	none	0.0	40.37	0.72
665	818	**CNW**	15.5	53⅞–16¼	25⅛	2.33	10.8	0.43	none	0.0	21.42	0.85
850	354	**Coachmen Industries**	–32.9	39⅝– 7½	8⅛	0.17	47.8	0.18	0.40	4.9	10.41	1.28
NR	NR	**Coast S&L Assoc**	NA	20¾–11¼	15¼	4.12	3.7	0.20	0.40	2.6	30.45	2.00
73	691	**Coastal Corp**	234.2	40⅜– 7⅜	26½	3.45	7.7	0.17	0.40	1.5	14.58	0.55
231	243	**Coca-Cola**	125.8	53⅛–14⅞	39⅛	2.73	14.3	1.64	1.12	2.9	9.13	0.23
NR	NR	**Coca-Cola Enterprises**	NA	21¼–10½	13⅝	0.47	29.0	0.57	0.05	0.4	10.34	0.76
907	346	**Coleco Industries**	–68.7	65 – 4¼	5¾	–6.86	def	0.19	none	0.0	–0.45	NE
716	NR	**Coleman**	1.7	46¾–25¼	30	2.57	11.7	0.37	1.20	4.0	24.66	0.82
304	424	**Colgate-Palmolive**	103.8	52⅝–19	40	0.65	61.5	0.51	1.48	3.7	13.81	0.35
342	67	**Collins Foods Intl**	88.7	23½– 5⅛	11¼	1.05	10.7	0.50	0.16	1.4	7.78	0.69
163	265	**Colt Industries**	157.2	16¼– 3⅛	9½	1.89	5.0	0.18	none	0.0	–36.91	NE
595	737	**Columbia Gas System**	33.8	56½–26¾	38⅝	2.37	16.3	0.61	3.18	8.2	34.06	0.88
58	35	**Columbia S&L Assoc**	256.5	17⅝– 2⅛	7⅛	4.62	1.5	0.10	0.28	3.9	22.69	3.18
793	843	**Combustion Eng**	–18.6	45⅜–23¾	26¾	1.37	19.5	0.35	1.00	3.7	20.65	0.77
487	251	**Comdisco**	55.5	36½– 5⅜	17⅞	2.26	7.9	0.63	0.20	1.1	8.66	0.48
189	408	**Comerica**	141.8	72⅝–22⅜	57	5.75	9.9	0.65	2.40	4.2	47.20	0.83
364	359	**Commerce Bcshs**	80.8	42¼–15½	28¼	3.77	7.5	0.64	1.12	4.0	33.33	1.18
366	NR	**Commerce Clearing**	80.6	71 –24⅜	56	2.90	19.3	1.84	1.28	2.3	8.89	0.16
NR	NR	**Commercial Credit**	NA	34⅝–17	20⅞	0.36	58.0	1.10	0.24	1.1	18.38	0.88
376	514	**Commercial Metals**	79.2	22¾– 8⅝	16⅛	1.14	14.1	0.17	0.32	2.0	16.48	1.02
667	650	**Commonwealth Edison**	15.4	38 –20	29⅛	4.91	5.9	1.05	3.00	10.3	31.64	1.09
463	319	**Commonwealth Energy**	58.3	45¾–16¼	28½	3.29	8.7	0.42	2.80	9.8	29.48	1.03
32	744	**Compaq Computer**	325.0†	78½– 3½	53⅛	2.89	18.4	1.84	none	0.0	6.78	0.13
169	278	**Computer Sciences**	151.0	73 –11	48	2.37	20.3	0.67	none	0.0	18.51	0.39
912	925	**Computervision**	–73.7	52⅞– 7¼	8⅛	0.51	15.9	0.43	none	0.0	6.33	0.78
147	79	**ConAgra**	163.9	38 – 8⅜	24⅝	1.79	13.8	0.21	0.67	2.7	9.24	0.38
273	267	**Consolidated Edison**	112.8	52⅞–19	43⅝	4.81	9.1	0.99	2.96	6.8	33.81	0.77
436	430	**Consol Freightways**	65.0	41¼–13⅜	27½	1.98	13.9	0.48	0.90	3.3	17.22	0.63
84	369	**Consol Natural Gas**	217.4	46⅝–11⅜	37½	1.96	19.1	1.36	1.50	4.0	19.14	0.51
72	131	**Consolidated Papers**	234.4	73¼–15½	53½	3.77	14.2	1.64	1.60	3.0	25.10	0.47
NR	NR	**Consolidated Rail**	NA	40⅞–20	25¼	4.00	6.3	0.55	1.00	4.0	–0.45	NE
821	418	**Constar Intl**	–23.6	30⅞–11⅝	14⅜	1.14	12.6	0.19	0.64	4.5	12.30	0.86
422	619	**Contel**	67.4	39⅝–16⅞	28⅞	2.64	10.9	0.76	2.00	6.9	19.57	0.68
574	651	**Continental Corp**	39.7	55 –23½	41⅜	5.85	7.1	0.43	2.60	6.3	41.57	1.00
886	NR	**Continental Illinois**	–49.9††	10¼– 2¾	2⅞	–3.68	def	0.12	0.08	2.8	7.62	2.65
860	883	**Control Data**	–38.0	63¼–15⅛	23	–5.35	def	0.28	none	0.0	23.77	1.03
423	876	**Cooper Industries**	67.3	74½–26	47⅞	3.33	14.4	0.69	1.68	3.5	29.25	0.61
543	143	**Cooper Tire & Rubber**	45.6	39¾–12⅜	26¾	2.83	9.5	0.43	0.52	1.9	19.24	0.72
550	447	**Adolph Coors**	44.9	31⅝–11⅛	17¾	1.33	13.3	0.49	1.00	5.6	27.41	1.54
890	942	**Copperweld**	–51.5	16⅜– 4⅜	7⅞	0.17	46.4	0.32	none	0.0	12.87	1.63
208	105	**CoreStates Financial**	133.4	44⅛–11¾	30⅛	3.77	8.0	0.84	1.50	5.0	23.19	0.77
553	527	**Corning Glass Works**	44.2	81½–29¾	47½	3.46	13.7	1.11	1.40	2.9	30.40	0.64
NR	NR	**Costco Wholesale**	NA	19½– 5⅝	9	0.14	64.3	0.16	none	0.0	3.41	0.38
335	536	**CPC International**	91.6	58½–16⅞	39⅞	4.18	9.5	0.65	1.24	3.1	11.58	0.29
285	NR	**Craig**	109.0	22¼– 4½	14⅝	1.80	8.1	0.03	none	0.0	10.24	0.70
296	670	**Crane**	105.4	35½– 8½	20¾	2.42	8.6	0.38	0.90	4.3	8.63	0.42
61	NR	**Cray Research**	253.4	135¾–17⅞	68¼	4.32	15.8	3.15	none	0.0	14.59	0.21
368	238	**Crestar Financial**	80.3	35⅞–11⅛	21¾	2.21	9.8	0.67	1.04	4.8	18.84	0.87
NR	NR	**CrossLand Savings FSB**	NA	24¾– 8¾	9	2.38	3.8	0.13	0.40	4.4	32.48	3.61
709	837	**Crown Central Petroleum**	2.7	30 – 9⅛	14½	–6.00	def	0.09	none	0.0	24.19	1.67
76	189	**Crown Cork & Seal**	227.1	139⅞–28⅞	96½	8.40	11.5	0.57	none	0.0	57.91	0.60

Note: Except as indicated, price changes are from Dec. 31, 1982 to Nov. 18, 1987. NR: Not ranked due to merger, spinoff, new issue or conversion to stock company. Range is for period since such change. *Price change does not reflect the value of shares received in a spinoff. †Four-year price change. ††Three-year price change. ‡Does not include stock dividends given in another company as part of the dividend. NA: Not available. NE: Negative equity. NM: Not meaningful. def: Deficit.

Sources: Forbes; William O'Neil & Co.

Rank 87	Rank 86	Company	5-year price change	1983-87 price range	Recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield	Book value (per share)	Book value/ recent price
500	701	CSX	54.0	41¾–15⅝	26¼	$2.59	10.1	0.54	$1.24	4.7%	$31.59	1.20
257	77	Culbro	117.3	58 –16⅞	37¾	7.07	5.3	0.21	0.80	2.1	27.20	0.72
377	417	Cullum Cos	79.1	23 – 6⅛	15	1.14	13.1	0.23	0.36	2.4	8.03	0.54
722	627	Cummins Engine	0.5	94¾–43¼	49	1.33	36.8	0.20	2.20	4.5	63.75	1.30
286	388	Curtice-Burns Foods	109.0	41⅞–14	31	2.70	11.5	0.17	1.04	3.4	19.87	0.64
NR	NR	Cyprus Minerals	NA	30 –11	17½	0.79	22.2	0.59	none	0.0	32.01	1.83
496	625	Dana	54.3	54¼–20½	35¾	2.54	14.1	0.41	1.44	4.0	21.40	0.60
684	778	Data General	9.4	76 –19⅛	21¾	–3.07	def	0.47	none	0.0	25.76	1.18
NR	NR	Datapoint	NA	9¼– 3⅜	5⅜	–5.03	def	0.17	none	0.0	10.59	1.97
699	296	Dayton-Hudson	5.7	63 –25	29⅛	3.18	9.2	0.28	0.92	3.2	22.38	0.77
213	55	Dean Foods	132.5	38½–12⅞	24⅝	1.53	16.1	0.46	0.54	2.2	8.83	0.36
712	898	Deere	2.5	43 –21½	30¼	–4.00	def	0.56	0.25	0.8	29.46	0.97
603	901	DeKalb	31.3	30⅛–14¾	22	1.41	15.6	0.71	0.32	1.5	26.58	1.28
550	577	Delchamps	44.9†	27¾– 9¾	17¾	0.98	18.1	0.14	0.28	1.6	10.24	0.58
424	339	Delmarva Power & Lt	67.2	25⅜–10⅜	18¼	1.80	10.1	1.23	1.41	7.7	12.85	0.70
801	565	Delta Air Lines	–20.3	67⅛–27	35¼	5.80	6.1	0.29	1.20	3.4	39.84	1.13
162	126	Deluxe Check	157.2	42¼– 8⅜	25⅞	1.64	15.8	2.38	0.80	3.1	4.85	0.19
481	549	Dennison Mfg	56.3	35½–15⅞	24¾	2.31	10.7	0.53	1.24	5.0	14.85	0.60
735	213	DeSoto	–3.6	43¾–23⅜	23⅜	2.70	8.7	0.24	1.40	6.0	22.66	0.97
697	680	Detroit Edison	6.7	19⅜–11½	14	3.25	4.3	0.71	1.68	12.0	18.34	1.31
470	535	Dexter	57.7	32⅜–11¼	18⅛	1.62	11.2	0.61	0.60	3.3	10.40	0.57
486	304	Di Giorgio	55.8	32¼– 9⅜	16¾	–0.76	def	0.12	0.64	3.8	18.69	1.12
NR	NR	Diamond Shamrock R&M	NA	18¼– 8	8¾	1.71	5.1	0.13	0.40	4.6	10.29	1.18
272	122	Dibrell Brothers	112.9	30 – 9½	22	–0.04	def	0.22	0.96	4.4	16.73	0.76
151	458	Digital Equipment	161.3	199½–32	130	9.19	14.1	1.68	none	0.0	49.87	0.38
29	9	Dillard Dept Stores	337.0	57½– 5⅝	28¾	2.43	11.8	0.47	0.16	0.6	17.31	0.60
NR	NR	Dime Savings Bank	NA	27 –13½	15⅛	NA	NA	0.33	none	0.0	25.18	1.66
62	235	Walt Disney	247.8	82½–11⅜	55	3.23	17.0	2.51	0.32	0.6	10.85	0.20
198	364	Diversified Energies	137.2	29⅞–10¼	25½	1.62	15.7	0.62	1.48	5.8	16.09	0.63
799	89	Dollar General	–19.4	29⅜– 6⅛	6⅛	0.20	30.6	0.20	0.20	3.3	5.78	0.94
249	416	Dominion Bankshares	119.5	25⅜– 6½	15½	2.13	7.3	0.72	0.76	4.9	13.81	0.89
305	332	Dominion Resources	103.5	52⅛–20⅜	43⅞	4.62	9.5	1.27	3.08	7.0	29.93	0.68
310	192	RR Donnelley & Sons	102.6	45⅜–14¼	30⅛	3.34	9.0	0.98	0.70	2.3	12.90	0.43
353	763	Dover	84.5	77⅞–26½	56½	3.05	18.5	1.26	1.12	2.0	18.51	0.33
90	503	Dow Chemical	211.6	109⅝–25	80⅝	5.52	14.6	1.23	2.20	2.7	27.02	0.34
505	489	Dow Jones	52.8	56¼–21⅜	33½	2.06	16.3	2.68	0.64	1.9	7.52	0.22
577	587	DPL	39.1	29¼–11¼	24	3.20	7.5	1.05	2.08	8.7	19.07	0.79
748	809	Dravo	–7.1	21⅞–10⅞	11½	–5.78	def	0.24	none	0.0	14.65	1.27
673	909	Dresser Industries	13.9	35⅝–14	22½	–0.39	def	0.54	0.40	1.8	21.33	0.95
219	463	EI du Pont de Nemours	131.4	131 –35⅛	83	6.95	11.9	0.69	3.40	4.1	54.74	0.66
329	451	Duke Power	95.2	52 –20⅝	45⅜	4.39	10.3	1.26	2.80	6.2	30.33	0.67
263	204	Dun & Bradstreet	115.8	71¾–24½	53⅛	3.02	17.6	2.47	1.50	2.8	9.80	0.18
794	824	Duquesne Light	–18.6	19½–10⅝	12	1.53	7.8	0.98	1.20	10.0	16.76	1.40
835	NR	Durr-Fillauer	–28.1	18 – 7⅛	8⅝	0.81	10.7	0.13	0.17	2.0	7.36	0.85
74	705	DWG	231.8	7⅜– 1⅜	6½	1.12	5.8	0.10	none	0.0	4.79	0.74
428	604	DynCorp	66.7	25⅝– 9	18⅛	–1.32	13.7	0.23	0.31	1.7	11.91	0.66
698	333	E-Systems	6.0	44¾–21¾	26⅝	1.86	14.3	0.67	0.50	1.9	12.39	0.47
NR	NR	E-II Holdings	NA	17½– 7	9⅛	NA	NA	0.36	none	0.0	NA	NA
450	390	Eagle-Picher Inds	62.1	53 –14¼	23½	3.69	6.4	0.38	1.12	4.8	16.82	0.72
708	758	Eastern Gas & Fuel	2.9	33¼–17¼	22¼	0.64	34.8	0.66	1.30	5.8	18.74	0.84
619	723	Eastman Kodak	26.6	70⅜–26¾	48⅜	2.07	23.4	1.28	1.80	3.7	18.84	0.39
278	474	Eaton	112.1	107¾–28⅜	67⅞	7.62	8.9	0.57	2.00	2.9	42.46	0.63
571	254	Echlin	39.8	25⅜– 8	13⅝	0.88	15.5	0.69	0.56	4.1	8.79	0.64
467	311	Ecolab	58.1	33¾–10¾	22⅛	5.35	4.1	0.66	0.62	2.8	10.81	0.49
NR	NR	Edgcomb	NA	6½– 2	2⅜	–0.32	def	0.04	none	0.0	0.97	0.04
NR	NR	Edison Bros Stores	NA	44 –22¾	24¾	1.18	21.0	0.27	1.80	7.3	22.61	0.91
784	NR	AG Edwards	–17.8	38⅞–12⅜	16½	2.46	6.7	0.63	0.68	4.1	12.48	0.76
644	687	EG&G	21.7	45⅛–25½	34⅜	1.90	18.1	0.79	0.56	1.6	8.62	0.25
549	590	Emerson Electric	45.0	42⅜–18¼	29¼	2.00	14.6	1.11	1.00	3.4	10.90	0.37
706	15	Emerson Radio	3.3	12¾– 2¼	2⅞	–0.01	def	0.13	none	0.0	2.64	0.92
908	803	Emery Air Freight	–68.8	26⅝– 4¼	4⅞	–1.39	def	0.09	none	0.0	8.74	1.79
379	444	Emhart	78.9	26⅝–10	18½	1.61	11.5	0.49	0.80	4.3	11.49	0.62
NR	NR	Empire of America	NA	7 – 2¾	3	–0.81	def	0.05	0.28	9.3	9.97	3.32
781	757	Engelhard	–16.8	29⅞–14⅜	17⅞	1.85	9.7	0.33	0.52	2.9	13.86	0.78

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Sources: Forbes; William O'Neil & Co.

WHO'S WHERE IN THE STOCK MARKET

Rank 87	Rank 86	Company	5-year price change	1983-87 price range	Recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield	Book value (per share)	Book value/ recent price
567	759	**Enron**	–40.7	54⅜–24⅛	37⅜	$–0.91	def	0.29	$2.48	6.6%	$22.98	0.61
752	900	**Enserch**	–8.5	29⅞–13⅛	17⅜	0.37	47.0	0.36	0.80	4.6	14.03	0.81
739	716	**Entex**	–4.0	24¼–12⅜	18	–3.21	def	0.54	none	0.0	4.54	0.25
171	61	**Equifax**	150.5	31½– 7¾	22⅛	1.24	17.8	0.72	0.76	3.4	5.09	0.23
479	530	**Equitable of Iowa**	56.5	27 –11½	18	2.08	8.7	0.33	0.92	5.1	28.51	1.58
127	497	**Equitable Resources**	178.9	46⅞–10	29¾	1.82	16.3	1.49	1.20	4.0	20.44	0.69
NR	NR	**Esselte Business Sys**	NA	46⅛–12⅝	29½	2.51	11.8	0.52	0.72	2.4	17.01	0.58
18	43	**Ethyl**	378.0	32¼– 3½	17⅝	1.49	11.8	1.33	0.40	2.3	7.41	0.42
126	495	**Exxon**	179.0	50¾–14⅜	41½	3.34	12.4	0.81	2.00	4.8	22.29	0.54
852	834	**Fairchild Industries**	–33.6	24⅞– 7⅞	9⅝	–5.31	def	0.28	0.20	2.1	9.42	0.98
677	50	**Family Dollar Stores**	13.0	28⅛– 7	8⅞	0.86	10.2	0.46	0.28	3.2	4.88	0.55
833	NR	**Farm Fresh**	–27.2†	22½– 9¼	12¾	0.50	25.5	0.21	none	0.0	8.60	0.67
826	842	**Farm House Foods**	–25.1	6¼– 2½	2¾	–0.13	def	0.03	none	0.0	4.00	1.45
201	429	**Farmers Group**	135.5	51¼–16	41½	3.42	12.1	2.39	1.20	2.9	20.28	0.49
576	523	**Federal Express**	39.4	75½–27¾	51¾	–0.75	def	0.79	none	0.0	20.90	0.40
697	621	**Federal-Mogul**	6.7	49 –25½	32	0.43	74.4	0.40	1.60	5.0	25.13	0.79
647	136	**Fedl Natl Mortgage**	19.9	48⅜–10⅞	29⅜	2.98	9.9	0.24	0.48	1.6	21.60	0.74
243	460	**Federal Paper Board**	122.0	54 –12⅞	31½	3.32	9.5	0.60	0.80	2.5	17.34	0.55
520	370	**Federated Dept Strs**	50.3	58½–21⅜	35½	3.28	10.8	0.30	1.48	4.2	28.54	0.80
502	724	**Ferro**	53.5	31¼–11⅛	20¼	2.72	7.4	0.34	0.68	3.4	16.36	0.81
131	244	**Fidelcor**	176.3	47½–12½	34⅞	3.36	10.4	0.70	1.52	4.4	26.88	0.77
681	291	**Fieldcrest Cannon**	10.3	43 –12⅛	16	1.82	8.8	0.12	0.68	4.3	26.37	1.65
118	249	**Figgie Intl**	186.4	87½–18½	63	6.58	9.6	0.46	0.80	1.3	41.37	0.66
932	814	**Financial Corp of America**	–89.9	32¾– 1	1⅜	–6.48	def	0.02	none	0.0	4.93	2.82
NR	NR	**Fireman's Fund**	NA	44½–25¾	28¼	5.32	5.3	0.44	0.40	1.4	23.55	0.83
359	496	**Firestone**	82.4	50 –15⅜	33¾	1.90	17.8	0.32	1.00	3.0	29.88	0.89
235	NR	**First American**	125.1	34⅝– 9½	22⅛	2.68	8.3	0.81	1.10	5.0	20.03	0.91
224	277	**First Bank System**	128.6	37⅛– 8¾	20½	0.95	21.5	0.49	1.50	7.3	22.74	1.11
570	68	**First Boston**	40.0	62¾–16⅞	25⅜	4.65	5.5	0.24	1.00	3.9	30.39	1.20
634	665	**First Chicago**	24.1	34⅞–17⅛	22½	–9.23	def	0.31	1.50	6.7	36.91	1.64
937	952	**First City Bancorp**	–96.9	24¾– ¼	¾	–12.72	def	0.02	none	0.0	11.89	17.23
635	147	**First Executive**	23.6	23¼– 6¼	10⅜	1.81	5.7	0.20	none	0.0	15.22	1.47
654	281	**First Federal Mich**	18.8†	30 – 5¾	10¼	6.86	1.5	0.09	0.48	4.7	33.04	3.22
322	178	**First Fidelity Bncp**	98.4	46½–14⅛	31	3.03	10.2	0.67	1.84	5.9	28.29	0.91
620	696	**First Interstate Bncp**	26.3	67⅜–29¼	39⅝	–8.09	def	0.37	2.80	7.1	58.65	1.48
139	NR	**First Kentucky Natl**	171.9	31 – 8	21¾	1.73	12.6	0.98	0.94	4.3	13.97	0.64
193	NR	**First Maryland Bncp**	138.5	41 – 9¾	23¼	3.04	7.6	0.57	1.00	4.3	22.72	0.98
85	133	**First of America Bank**	214.1	54 –12⅜	39	5.68	6.9	0.57	1.80	4.6	39.24	1.01
385	266	**First Pennsylvania**	77.6	11¼– 4	8⅞	–2.32	def	0.64	none	0.0	12.38	1.39
915	902	**First RepublicBank**	–74.4	38¼– 7	7¾	–10.64	def	0.14	1.00	12.9	39.64	5.11
694	793	**First Security**	7.1	35½–15	22½	0.98	23.0	0.53	1.10	4.9	28.53	1.27
291	187	**First Tennessee Natl**	106.5	36⅝–11½	23¾	2.79	8.5	0.65	1.24	5.2	21.98	0.93
298	263	**First Union**	105.3	30 – 8½	17⅞	2.68	6.7	0.73	0.80	4.5	14.55	0.81
NR	NR	**First Wachovia**	NA	46⅝–30½	33	3.46	9.5	1.03	1.20	3.6	21.93	0.66
136	197	**First Wisconsin**	172.8	33 – 7½	20⅝	–0.83	def	0.61	0.92	4.5	20.54	1.00
924	877	**Fischbach**	–84.1	55½– 6⅜	7¾	–6.79	def	0.02	none	0.0	33.91	4.38
791	856	**Fisher Foods**	–18.4	16⅝– 5⅜	6⅝	–6.23	def	0.04	none	0.0	13.69	2.06
152	171	**Fleet Financial**	160.9	30⅝– 8⅜	22½	2.53	8.9	0.86	1.00	4.4	14.01	0.62
771	182	**Fleetwood Enterprise**	–13.2	41⅞–14	17¾	1.88	9.4	0.32	0.60	3.4	13.56	0.76
660	342	**Fleming Cos**	17.1	45⅞–22¼	26⅝	1.89	14.1	0.07	1.00	3.8	21.46	0.81
900	823	**Florida Federal S&L**	–57.4†	22⅝– 6⅜	6½	–2.10	def	0.12	none	0.0	19.27	2.96
509	467	**Florida Natl Banks**	52.5	29¼– 9⅞	15¼	0.92	16.6	0.62	0.48	3.1	16.39	1.07
347	323	**Florida Progress**	86.8	47 –18	35½	3.79	9.4	0.95	2.40	6.8	23.26	0.66
145	97	**Flowers Industries**	164.9	30⅞– 7⅞	25¾	1.19	21.6	0.76	0.42	1.6	7.64	0.30
848	929	**Fluor**	–32.7	25⅜–11	13⅛	–2.21	def	0.22	none	0.0	11.99	0.91
10	104	**FMC**	545.8	60⅛– 5⅝	36¾	4.90	7.5	0.54	none	0.0	–11.25	NE
12	47	**Food Lion**	431.5	14⅝– 1⅜	11⅝	0.24	48.5	0.67	0.06	0.5	0.83	0.07
112	57	**Foodarama Supermkts**	191.9	28⅜– 5¾	17⅞	1.59	11.2	0.05	none	0.0	20.06	1.12
NR	NR	**Foodmaker**	NA	14¾– 5¾	9¾	1.20	8.1	0.21	none	0.0	5.44	0.56
27	29	**Ford Motor**	345.7	112⅝–15¼	77	17.33	4.4	0.29	4.00	5.2	57.02	0.74
579	NR	**Foremost Corp of Amer**	38.5	43¼–21¼	36	3.37	10.7	0.88	0.96	2.7	21.13	0.59
431	439	**Fort Howard**	65.8	62 –22⅝	39⅜	2.21	17.8	1.54	1.08	2.7	17.87	0.45
893	943	**LB Foster**	–53.5	9⅛– 1⅞	2½	–2.06	def	0.08	none	0.0	1.40	0.56
736	851	**Foster Wheeler**	–3.8	25 –10	12½	0.71	17.6	0.35	0.44	3.5	12.56	1.00

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Sources: Forbes; William O'Neil & Co.

Rank 87	Rank 86	Company	5-year price change	1983-87 price range	Recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield	Book value (per share)	Book value/ recent price
867	887	**Foxboro**	–41.2	47½–18⅜	20⅞	$–1.95	def	0.49	none	0.0%	$22.31	1.07
411	472	**FPL Group**	70.4	38 –17½	30⅞	3.03	10.2	0.93	$2.12	6.9	22.99	0.74
611	870	**Freeport-McMoRan**	29.0	31⅜–13½	21⅛	2.96	7.1	1.60	0.60‡	2.8‡	9.14	0.43
NR	NR	**Fruit of the Loom**	NA	9½– 3⅞	4⅞	0.39	12.5	0.36	none	0.0	–1.56	NE
166	NR	**HB Fuller**	154.0	48½–11¼	30	2.47	12.1	0.48	0.42	1.4	14.43	0.48
64	123	**Fuqua Industries**	245.4	38⅜– 7¾	26⅞	2.15	12.5	0.67	0.24	0.9	12.30	0.46
9	66	**GAF**	550.0	69½– 6½	45½	2.82	16.1	1.89	0.10	0.2	16.94	0.37
418	262	**Gannett**	69.2	56¼–16¾	35¾	1.86	19.2	1.91	1.00	2.8	8.88	0.25
22	5	**Gap**	373.8	77⅞– 4	19¼	2.22	8.7	0.72	0.50	2.6	5.96	0.31
524	817	**GATX**	49.5	50¾–25⅛	38½	3.68	10.5	0.66	1.50	3.9	22.79	0.59
931	962	**Gearhart Industries**	–88.5	30⅝– ⅞	1¾	–9.44	def	0.23	none	0.0	–6.83	NE
210	166	**Geico**	133.1	136¾–41	100¼	13.81	7.3	1.08	1.36	1.4	37.33	0.37
445	831	**Gelco**	62.9	34½–12¾	34	–0.52	def	0.33	none	0.0	11.42	0.34
165	129	**GenCorp**	156.1	120 –27¼	69½	14.09	4.9	0.33	1.80	2.6	46.91	0.68
245	93	**General Cinema**	121.5	31¾– 6½	16⅛	1.53	10.5	1.14	0.39	2.4	6.78	0.42
544	260	**General Dynamics**	45.5	89¼–30⅝	48	0.35	NM	0.22	1.00	2.1	29.45	0.61
333	351	**General Electric**	91.8	66⅜–22¾	45½	3.53	12.9	1.05	1.32	2.9	16.57	0.36
469	100	**General Host**	57.7	25⅝– 4	8⅛	2.48	3.3	0.34	0.24	3.0	8.15	1.00
887	935	**General Instrument**	–50.8	66⅞–12¾	24½	–1.91	def	0.77	0.25	1.0	14.35	0.59
348	470	**General Mills**	86.7*	62⅛–20⅞	45½	2.71	16.8	0.75	1.60	3.5	8.28	0.18
730	599	**General Motors**	–2.2	94⅛–50	61	8.67	7.0	0.19	5.00	8.2	83.73	1.37
438	NR	**General Motors EDS**	64.6††	51 –18¼	34⅞	2.38	14.7	0.43	0.52	1.5	6.55	0.19
NR	NR	**GM Hughes Electronics**	NA	50½–32⅝	46½	3.15	14.8	0.29	0.72	1.5	100.47	2.16
60	174	**General Public Utils**	253.8	29¾– 6½	23⅞	3.99	6.0	0.56	0.60	2.5	28.41	1.19
395	385	**General Re**	74.9	69½–23⅛	55¾	4.61	12.1	1.62	1.00	1.8	23.47	0.42
19	198	**General Refractories**	376.9	20¼– 3	15½	4.31	3.6	0.24	none	0.0	8.94	0.58
770	795	**General Signal**	–13.1	61¼–33¼	39	2.32	16.8	0.72	1.80	4.6	32.33	0.83
823	919	**Genesco**	–24.3	10⅜– 2⅜	3½	1.09	3.2	0.12	none	0.0	4.54	1.30
405	529	**Genuine Parts**	71.5	44⅜–16	34½	1.95	17.7	1.07	0.92	2.7	9.30	0.27
NR	NR	**Georgia Gulf**	NA	69 –19½	40	4.59	8.7	0.83	0.80	2.0	8.27	0.21
622	606	**Georgia-Pacific**	25.7	52¾–18	33	3.91	8.4	0.44	1.20	3.6	23.19	0.70
293	176	**Gerber Products**	105.6	63 –14⅝	33¾	1.22	27.7	0.67	1.32	3.9	16.70	0.49
75	NR	**Getty Petroleum**	227.5	30⅜– 3⅞	13¾	0.68	20.3	0.14	0.16	1.2	6.03	0.44
55	25	**Giant Food**	267.4	42⅜– 8½	31	1.67	18.6	0.35	0.66	2.1	9.98	0.32
899	376	**Gibraltar Financial**	–57.0	16 – 4¼	4¼	–5.69	def	0.07	none	0.0	16.17	3.80
140	170	**Gillette**	171.1	45⅞–10¼	30½	0.52	58.7	1.13	0.76	2.5	4.01	0.13
146	450	**GlenFed**	164.1†	33½– 6¾	25¾	5.93	4.3	0.29	1.00	3.9	41.68	1.62
14	49	**Godfrey**	405.7	33⅞– 3⅛	20⅞	1.73	12.1	0.17	0.32	1.5	7.37	0.35
188	41	**Golden West Finl**	142.4	46¾– 7⅜	25¼	5.38	4.7	0.61	0.24	1.0	20.83	0.82
NR	NR	**Goldome**	NA	7⅛– 3⅜	3¾	NA	NA	0.07	none	0.0	NA	NA
702	546	**BF Goodrich**	4.7	65 –24⅝	33⅝	2.93	11.5	0.37	1.56	4.6	32.[illegible]5	0.96
565	428	**Goodyear**	41.4	76½–23	49½	8.76	5.7	0.29	1.60	3.2	30.93	0.62
717	67[illegible]	**Gordon Jewelry**	1.6	22⅞– 9⅞	14	–1.83	def	0.38	0.52	3.7	23.78	1.53
905	861	**Gould**	–66.0	43¾– 8	12¾	0.34	37.5	0.62	none	0.0	12.52	0.98
664	786	**WR Grace**	15.6	37⅜–17¾	22¼	–5.30	def	0.44	1.40	6.3	15.42	0.69
330	483	**WW Grainger**	93.9	71¾–23⅜	51⅞	3.02	17.2	1.17	0.80	1.5	20.14	0.39
346	345	**Gt Am First Savings**	87.1†	25 – 5⅜	12⅝	4.34	2.9	0.21	0.60	4.8	24.02	1.90
308	NR	**Great American Mgmt**	103.3	19½– 7¼	15¼	0.02	NM	0.13	none	0.0	19.05	1.25
30	52	**Great A&P Tea**	334.9	46⅞– 7⅜	35⅞	2.37	15.1	0.15	0.50	1.4	19.85	0.55
96	361	**Gt Northern Nekoosa**	206.3	60½–11⅜	36⅝	4.02	9.1	0.84	0.92	2.5	19.77	0.54
610	309	**Gt Western Financial**	29.0	24⅜– 6⅝	14⅛	2.27	6.2	0.42	0.72	5.1	14.19	1.00
542	507	**Greyhound**	45.7	46 –17⅛	25⅛	4.18	6.0	0.39	1.32	5.3	26.29	1.05
837	965	**Grossman's**	–29.3	11½– 4	5⅜	0.56	9.6	0.13	none	0.0	1.26	0.23
700	NR	**Grow Group**	5.3	15 – 6	7	–0.08	def	0.15	0.30	4.3	4.80	0.69
742	563	**Grumman**	–4.7	36⅜–17½	23	1.82	12.6	0.23	1.00	4.3	22.13	0.96
608	589	**GTE**	30.1	44¾–23¼	36	3.09	11.7	0.77	2.52	7.0	23.26	0.65
239	NR	**Guilford Mills**	124.1	39½– 8¾	24½	2.36	10.4	0.47	0.80	3.3	18.10	0.74
39	130	**Gulf & Western**	309.0	93½–15	68½	4.70	14.6	0.98	1.20	1.8	30.61	0.45
898	891	**Gulf States Utils**	–56.0	16½– 4¾	5⅞	1.43	4.1	0.44	none	0.0	16.79	2.86
828	922	**Halliburton**	–25.8	47¼–17⅜	26¼	0.18	NM	0.87	1.00	3.8	20.30	0.77
809	782	**Handy & Harman**	–21.6	28 –16½	15⅜	–0.13	def	0.36	0.66	4.3	8.30	0.54
52	32	**Hannaford Bros**	280.9	54¾– 8½	33¾	2.51	13.4	0.31	0.56	1.7	13.00	0.39
81	141	**Hanover Insurance**	220.6	38⅜– 7⅞	27¼	6.52	4.2	0.42	0.36	1.3	21.75	0.80
NR	83	**Harcourt Brace**	NA	13¼– 3¾	5	–0.33	def	0.18	none	0.0	13.48	2.70

Note: Except as indicated, price changes are from Dec. 31, 1982 to Nov. 18, 1987. NR: Not ranked due to merger, spinoff, new issue or conversion to stock company. Range is for period since such change. *Price change does not reflect the value of shares received in a spinoff. †Four-year price change. ††Three-year price change. ‡Does not include stock dividends given in another company as part of the dividend. NA: Not available. NE: Negative equity. NM: Not meaningful. def: Deficit.

Sources: Forbes; William O'Neil & Co.

WHO'S WHERE IN THE STOCK MARKET

Rank 87	Rank 86	Company	5-year price change	1983-87 price range	Recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield	Book value (per share)	Book value/ recent price
156	725	**Harnischfeger Inds**	158.8	29¾– 6	16½	$0.16	NM	0.44	none	0.0%	$10.43	0.63
844	865	**Harris Corp**	–30.1	51⅞–22¼	25⅞	2.13	12.2	0.51	$0.88	3.4	23.64	0.91
290	556	**Harsco**	108.0	39⅜–11⅜	26	2.09	12.4	0.69	1.12	4.3	16.13	0.62
407	303	**Hartford National**	71.1	32⅛–11⅞	20⅝	2.98	6.9	0.67	1.28	6.2	18.15	0.88
596	363	**Hartmarx**	33.8	34¾–14½	22	1.75	12.6	0.43	1.00	4.5	17.59	0.80
11	3	**Hasbro**	474.2	30⅞– 2	12⅜	1.01	12.3	0.49	0.09	0.7	10.46	0.84
360	393	**Hawaiian Electric**	81.9	35½–13⅝	27⅝	2.66	10.4	0.81	1.92	6.9	22.19	0.80
552	NR	**Hechinger**	44.4	27¼– 9	17½	1.11	15.8	0.81	0.06	0.3	6.51	0.37
119	22	**HJ Heinz**	186.1	51¾–11½	38½	2.58	14.9	1.03	1.24	3.2	10.79	0.28
NR	NR	**Henley Group**	NA	30¾–17¼	19½	–5.14	def	0.56	none	0.0	26.08	1.34
430	409	**Hercules**	66.5	73½–24⅝	46	14.44	3.2	0.96	1.92	4.2	31.11	0.68
130	157	**Hershey Foods**	176.7	37¾– 8⅛	26	1.60	16.3	0.98	0.62	2.4	8.07	0.31
563	515	**Hewlett-Packard**	41.8	73⅝–28¾	51¾	2.50	20.7	1.64	0.26	0.5	17.08	0.33
NR	NR	**Highland Superstores**	NA	39¼– 7¼	7¾	0.83	9.3	0.20	none	0.0	6.25	0.81
181	159	**Hillenbrand Inds**	144.5	31¼– 8¾	23⅜	1.80	13.0	1.29	0.35	1.5	7.55	0.32
NR	NR	**Hills Dept Stores**	NA	12⅝– 6	7⅛	1.00	7.1	0.09	none	0.0	–4.51	NE
459	578	**Hilton Hotels**	59.8	91¾–40⅛	71½	4.30	16.6	2.21	1.80	2.5	28.45	0.40
NR	NR	**Himont**	NA	54¼–23	25½	3.55	7.2	1.53	0.68	2.7	9.01	0.35
872	380	**Holiday**	–42.7‡	83⅞–11⅝	21	5.81	3.6	0.30	none	0.0	26.78	1.28
185	306	**Holly Corp**	142.9	21¼– 6½	13	0.25	52.0	0.19	none	0.0	5.53	0.43
292	158	**Holly Farms**	106.2	51¾–12	29⅛	3.32	8.8	0.35	1.18	4.1	19.68	0.68
265	NR	**Home Depot**	114.3	28⅛– 7	17½	0.90	19.4	0.62	none	0.0	3.83	0.22
409	602	**Home Federal S&L**	70.6†	38⅝–11¾	23⅞	4.71	5.1	0.41	0.20	0.8	38.37	1.61
NR	NR	**Home Group**	NA	31½–10½	13	4.32	3.0	0.20	0.20	1.5	22.19	1.71
NR	NR	**Home Shopping**	NA	47 – 5	6	0.33	18.2	0.89	none	0.0	0.56	0.09
350	NR	**Homestead Financial**	85.5	13⅜– 3	5¾	2.49	2.3	0.14	0.25	4.3	10.36	1.80
504	NR	**HON Industries**	53.2	23 – 7⅝	18	1.27	14.2	0.69	0.40	2.2	6.70	0.37
591	555	**Honeywell**	34.4	90½–41¼	57⅜	–7.18	def	0.42	2.00	3.5	48.67	0.85
129	184	**George A Hormel**	177.3	29⅜– 6	19½	1.08	18.0	0.35	0.36	1.8	8.85	0.45
824	736	**Hospital Corp**	–24.3	56⅝–23⅝	31½	2.03	15.5	0.52	0.72	2.3	24.62	0.78
353	220	**Household Intl**	82.6	62½–19	42	6.14	6.8	0.50	2.00	4.8	27.93	0.67
513	569	**Houston Industries**	51.9	39⅜–17⅝	30⅜	3.90	7.8	0.98	2.88	9.5	27.19	0.90
354	383	**Hubbell**	84.2	41⅞–14	26¼	2.33	11.3	1.16	1.00	3.8	12.61	0.48
810	726	**Humana**	–21.8	36¾–16¼	[illegible]	1.86	11.8	0.76	0.80	3.6	9.20	0.42
199	337	**Huntington Bshs**	137.2	31¼– 8¼	20¼	2.05	9.9	0.76	0.84	4.1	17.23	0.85
851	743	**EF Hutton Group**	–33.3	54¼–11	20	–1.57	def	0.20	0.88	4.4	22.48	1.12
NR	NR	**IBP**	NA	19⅝–11¼	13¾	0.98	14.0	0.09	0.60	4.4	NA	NA
71	292	**IC Industries**	235.8	41¼– 8	29⅜	1.66	17.7	0.81	0.88	3.0	13.61	0.46
345	17	**ICH**	87.3	32⅜– 3⅞	8	2.43	3.3	0.17	none	0.0	13.53	1.69
929	961	**Ideal Basic Inds**	–86.0	26 – 1⅛	2⅝	–0.77	def	1.98	none	0.0	0.13	0.05
701	696	**Illinois Power**	4.8	32 –17⅝	24⅞	4.20	5.9	1.35	2.64	10.6	25.81	1.04
79	200	**Illinois Tool Works**	221.0	49½– 9⅜	31½	2.60	12.1	0.99	0.40	1.3	9.30	0.30
825	761	**Imperial Corp of Am**	–25.0	19 – 5⅛	9⅜	3.69	2.5	0.13	0.40	4.3	15.33	1.63
581	848	**Inco**	37.3	24 – 8⅝	16⅛	0.19	NM	1.05	0.20	1.2	10.62	0.66
324	822	**Ingersoll-Rand**	97.8	45¾–14¼	31¼	3.15	9.9	0.62	1.04	3.3	20.44	0.65
NR	NR	**Ingles Markets**	NA	13⅛– 7⅜	8¾	0.63	13.9	0.24	none	0.0	4.05	0.46
757	860	**Inland Steel Inds**	–9.1	35¼–14½	23⅝	3.13	7.5	0.23	none	0.0	33.25	1.41
743	638	**Insilco**	–4.7	26¼–12¾	15⅞	1.65	9.6	0.46	1.00	6.3	15.88	1.00
869	931	**Inspiration Resource**	–42.2†	15¼– 3¾	6½	–0.74	def	0.37	none	0.0	4.89	0.75
769	490	**Integrated Resources**	–12.9	46 –11⅞	20¼	3.08	6.6	0.15	none	0.0	28.44	1.40
372	613	**Intel**	80.0	41⅞–10⅞	23¼	0.48	48.4	2.43	none	0.0	7.22	0.31
689	608	**Interco**	8.2	54 –27½	33	3.45	9.6	0.43	1.60	4.8	36.78	1.11
435	242	**Intergraph**	65.4	40½–11⅜	19¾	1.14	17.3	1.85	none	0.0	8.80	0.45
258	486	**Interlake**	116.5	55 –15⅞	36	3.56	10.1	0.54	1.40	3.9	21.75	0.60
190	194	**Intermark**	141.7	16½– 3¾	8⅛	0.32	25.4	0.10	0.11	1.4	8.57	1.05
638	504	**IBM**	23.0	175⅞–92¼	118⅜	7.53	15.7	1.35	4.40	3.7	56.73	0.48
489	540	**Intl Flavors & Frags**	55.2	58 –22⅞	42⅞	2.72	15.8	2.26	1.24	2.9	13.87	0.32
682	849	**Intl Minerals & Chem**	10.1	53 –25	35⅜	1.17	30.2	0.56	1.00	2.8	32.09	0.91
605	574	**Intl Multifoods**	30.3	39¾–15⅜	26½	4.08	6.5	0.25	1.18	4.5	22.76	0.86
501	592	**International Paper**	54.0	57⅞–22⅛	37¼	4.67	8.0	0.51	1.20	3.2	34.62	0.93
183	205	**Interpublic Group**	143.6	43½–11½	29⅜	2.06	14.3	0.73	0.68	2.3	10.95	0.37
100	201	**Interstate Bakeries**	200.0	40¾– 5⅞	18½	1.52	12.2	0.19	none	0.0	13.45	0.73
452	414	**Iowa-Illinois G&E**	61.4	47 –20⅛	35½	4.33	8.2	0.98	3.04	8.6	28.95	0.82
533	471	**Iowa Resources**	47.7	27½–12⅛	19⅜	2.03	9.5	1.24	1.64	8.5	15.82	0.82

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Sources: Forbes; William O'Neil & Co.

Rank 87	Rank 86	Company	5-year price change	1983-87 price range	Recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield	Book value (per share)	Book value/ recent price
398	391	Ipalco Enterprises	74.1	29½–12¼	22⅝	$3.67	6.2	1.54	$1.56	6.9%	$16.49	0.73
192	567	Irving Bank	140.7	78½–20⅝	49½	0.49	NM	0.43	2.24	4.5	53.83	1.09
494	623	ITT	54.4	66⅜–21¾	48¼	5.15	9.4	0.84	1.25	2.6	46.96	0.97
796	811	IU International	–19.1	25⅝–11	13¼	0.82	16.2	0.24	0.60	4.5	8.65	0.65
602	72	James River Corp Va	31.5	43¾–15½	22⅛	2.00	11.1	0.40	0.40	1.8	21.22	0.96
515	44	Jamesway	51.6	16¼– 4⅜	7⅝	0.90	8.5	0.16	0.08	1.0	7.87	1.03
226	285	Jefferson-Pilot	126.9	42½–12¼	29¾	4.00	7.4	1.15	1.20	4.0	31.41	1.06
56	404	Jefferson Smurfit	264.4†	78½– 7½	46	3.65	12.6	0.83	0.75	1.6	7.38	0.16
746	596	Jerrico	–6.5	26⅜– 8⅞	14⅜	1.19	12.1	0.51	0.16	1.1	10.63	0.74
87	152	Jim Walter	213.6	62⅜–14⅛	59	4.09	14.4	0.98	1.20	2.0	27.85	0.47
471	620	Johnson & Johnson	57.4	105⅜–28	78⅛	4.43	17.6	1.75	1.68	2.2	16.34	0.21
498	379	Johnson Controls	54.1	40 –16⅞	27¼	2.20	12.4	0.38	1.06	3.9	20.34	0.75
779	841	Earle M Jorgensen	–16.6	31¾–21½	21⅞	–2.15	def	0.44	1.00	4.6	22.81	1.04
252	206	Jostens	119.0	25 – 7⅝	18¼	1.25	14.7	1.07	0.56	3.1	3.15	0.17
320	229	K mart	98.6	48⅜–14½	29⅛	4.05	7.2	0.23	1.16	4.0	19.66	0.67
854	826	KaiserTech	–33.9	23¼– 7¾	10	–9.56	def	0.22	none	0.0	22.34	2.23
182	140	Kaman	141.4	21⅜– 5⅜	13¾	1.31	10.5	0.35	0.40	2.9	7.89	0.57
547	513	Kansas City P&L	45.3	32¼–14¼	26⅞	2.61	10.3	1.19	2.24	8.3	27.79	1.03
751	703	Kansas City Southern	–8.1	79¾–35	42½	–2.57	def	0.81	1.08	2.5	36.42	0.86
696	NR	Kansas Gas & Elec	6.8	25⅝– 9⅝	19⅝	1.90	10.3	1.55	1.48	7.5	20.17	1.03
302	240	Kansas Power & Light	104.2	32½–11⅝	24⅝	2.45	10.1	0.73	1.65	6.7	16.35	0.66
279	361	Kaufman & Broad	111.8	19¼– 4¾	12	1.93	6.2	0.26	0.32	2.7	10.26	0.85
NR	482	Kay	NA	14⅛– 4¾	8⅝	2.32	3.7	0.07	0.12	1.4	5.91	0.68
40	118	Kellogg	308.5	68¾–12⅝	54⅜	3.10	17.5	1.85	1.36	2.5	7.27	0.13
158	27	Kellwood	158.7	41 – 6¾	18	2.31	7.8	0.36	0.60	3.3	13.38	0.74
33	102	Kelly Services	323.4	49⅜– 7⅞	35	1.89	18.5	0.75	0.56	1.6	6.15	0.18
357	455	Kemper	82.8	38¾– 9¾	23	4.38	5.3	0.39	0.60	2.6	23.41	1.02
399	302	Kentucky Utilities	73.6	24⅛–10	18⅞	1.58	11.9	1.28	1.30	6.9	12.06	0.64
817	816	Kerr Glass Mfg	–23.1	21¼– 8⅛	10	0.42	23.8	0.15	0.44	4.4	10.91	1.09
678	863	Kerr-McGee	12.2	46⅞–23½	32¼	1.59	20.3	0.61	1.10	3.4	27.67	0.86
83	153	KeyCorp	217.9	31 – 6⅜	22¼	3.00	7.4	0.66	1.12	5.0	19.50	0.88
53	NR	Kimball International	279.5	26 – 4⅞	18½	1.52	12.1	0.79	0.44	2.4	9.44	0.51
116	415	Kimberly-Clark	189.7	63¼–16½	53½	4.14	12.9	0.97	1.44	2.7	20.89	0.39
NR	NR	KN Energy	NA	24¼– 6⅜	15½	0.02	NM	0.46	1.00	6.5	14.41	0.93
458	230	Knight-Ridder	60.1	61¼–21¼	39⅝	2.54	15.6	1.12	1.00	2.5	14.28	0.36
295	646	Koppers	105.5	50⅜–15⅜	32⅞	2.40	13.7	0.61	1.20	3.6	16.51	0.50
264	215	Kraft	114.6*	64¼–19½	49	3.33	14.7	0.64	1.88	3.8	13.29	0.27
607	469	Kroger	30.2	41½–14⅝	25⅝	1.82	14.1	0.12	1.05	4.1	12.25	0.48
247	154	Laclede Gas	120.9	40½–11⅜	27¾	2.88	9.6	0.49	2.10	7.6	21.09	0.76
759	852	Lafarge	–9.7†	16⅛– 6¾	10⅜	1.34	7.7	0.39	0.24	2.3	10.10	0.97
125	NR	Laidlaw Industries	179.1	27½– 7¼	21⅝	0.91	23.8	0.91	0.20	0.9	6.12	0.28
138	151	Leggett & Platt	172.2	36⅞– 8⅛	23¼	2.30	10.1	0.60	0.56	2.4	11.38	0.49
NR	NR	Leslie Fay Cos	NA	17¾– 4½	6	0.89	6.7	0.20	none	0.0	4.80	0.80
394	522	Life Investors	75.2	53 –27¾	49½	3.74	13.2	0.33	0.24	0.5	41.07	0.83
179	357	Eli Lilly	145.2	107¾–26½	70½	4.43	15.9	2.45	2.30	3.3	19.70	0.28
16	4	Limited	387.5	52⅞– 3⅛	19½	1.36	14.3	1.05	0.24	1.2	6.58	0.34
337	462	Lincoln National	89.9	62¾–21⅛	42½	6.25	6.8	0.27	2.36	5.6	44.54	1.05
679	667	Liquid Air	12.0	37 –18¼	21	2.46	8.5	0.48	1.60	7.6	23.63	1.13
483	690	Litton Industries	56.2	108¼–46½	76¾	5.16	14.9	0.45	none	0.0	40.28	0.52
8	7	Liz Claiborne	651.4	39⅛– 1⅞	17½	1.28	13.6	1.51	0.18	1.0	2.87	0.16
465	211	Lockheed	58.2	61½–23⅛	38⅝	6.00	6.4	0.23	1.40	3.6	28.44	0.74
50	74	Loews	284.8	96¼–17¼	73⅝	6.41	11.5	0.65	1.00	1.4	36.07	0.49
842	797	Lone Star Industries	–29.9	41¾–15	21⅜	5.69	3.8	0.45	1.90	8.9	38.09	1.78
892	853	Long Island Lighting	–53.3	17½– 3¾	8	1.22	6.6	0.44	none	0.0	27.99	3.50
410	454	Longs Drug Stores	70.5	41 –16⅞	30⅜	1.96	15.5	0.38	0.80	2.6	13.74	0.45
274	692	Longview Fibre	112.8	75 –17¾	41½	5.58	7.4	0.82	1.60	3.9	21.05	0.51
529	424	Loral	48.1	49¼–18⅜	30⅜	2.62	11.7	0.71	0.64	2.1	15.11	0.49
NR	NR	Lorimar-Telepictures	NA	32⅝– 6⅜	9⅝	–3.32	def	0.55	none	0.0	8.40	0.87
707	807	Louisiana Land	3.2†	43⅛–22¼	28	–1.03	def	1.14	1.00	3.6	19.38	0.69
685	598	Louisiana-Pacific	9.4	39¾–15½	27¼	2.91	9.4	0.57	0.80	2.9	24.86	0.91
473	443	Louisville G&E	57.3	44⅜–20⅛	33⅜	3.38	9.9	1.05	2.66	7.9	26.03	0.77
760	188	Lowe's Cos	–9.7	41½–16¼	18¾	1.47	12.8	0.31	0.44	2.3	13.64	0.73
916	955	LTV	–74.7	19⅞– 1⅛	2⅞	–2.99	def	0.04	none	0.0	–21.53	NE
546	717	Lubrizol	45.3	42⅛–17½	27¼	2.07	13.2	1.09	1.28	4.7	14.43	0.53

Note: Except as indicated, price changes are from Dec. 31, 1982 to Nov. 18, 1987. NR: Not ranked due to merger, spinoff, new issue or conversion to stock company. Range is for period since such change. *Price change does not reflect the value of shares received in a spinoff. †Four-year price change. ††Three-year price change. ‡Does not include stock dividends given in another company as part of the dividend. NA: Not available. NE: Negative equity. NM: Not meaningful. def: Deficit.

Sources: Forbes; William O'Neil & Co.

WHO'S WHERE IN THE STOCK MARKET

Rank			5-year price change	1983-87 price range	Recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield	Book value (per share)	Book value/ recent price
87	86	Company										
557	389	**Lucky Stores**	42.9	35½–12½	25	$6.50	3.8	0.14	$0.50	2.0%	$ 7.08	0.28
69	791	**Lukens**	240.0	58¾– 9¾	42½	2.61	16.3	0.50	0.68	1.6	23.59	0.56
902	920	**M/A-Com**	–60.5	35⅛– 7¼	9⅛	–1.06	def	0.68	0.24	2.6	10.63	1.16
856	918	**Mack Trucks**	–34.7†	22⅜– 9⅛	13⅞	0.67	20.7	0.22	none	0.0	15.99	1.15
43	69	**Macmillan**	303.3	75⅝– 9½	46⅝	2.84	16.4	1.19	0.72	1.5	13.22	0.28
845	768	**Manhattan Industries**	–30.2	23 – 7½	7¾	–0.96	def	0.12	0.20	2.6	11.58	1.49
326	108	**Manor Care**	96.9	25½– 5⅜	14	1.07	13.1	1.10	0.13	0.9	5.08	0.36
839	760	**Manufacturers Hanover**	–29.7	57¾–22½	29¼	–25.95	def	0.19	3.28	11.2	74.33	2.54
114	98	**Manufacturers Natl**	190.7	53½–11⅛	35¼	3.43	10.3	0.59	1.60	4.5	39.18	1.11
910	951	**Manville**	–71.9	16⅝– 1⅝	2⅞	4.68	0.6	0.03	none	0.0	35.89	12.46
381	594	**Mapco**	78.7	66⅝–21	42	2.83	14.8	0.57	1.00	2.4	23.01	0.55
28	533	**Marine Midland Banks**	338.0	82⅜–18½	82⅛	–9.68	def	0.66	2.04	2.5	62.17	0.76
6	NR	**Marion Laboratories**	723.6	41½– 2¾	26	0.70	37.1	6.10	0.28	1.1	2.01	0.08
159	125	**Marriott**	158.5	43¾–10	30¼	1.60	18.9	0.63	0.16	0.5	7.59	0.25
160	167	**Marsh & McLennan Cos**	158.2	76¾–17⅞	53⅛	4.02	13.2	1.91	2.40	4.5	8.65	0.16
642	308	**Marsh Supermarkets**	22.1	21½– 8⅜	14¼	1.47	9.7	0.09	0.44	3.1	9.94	0.70
212	106	**Marshall & Ilsley**	132.8	38¾–10¾	26	3.03	8.6	0.82	0.84	3.2	19.43	0.75
289	382	**Martin Marietta**	108.3	56½–16¾	40½	3.92	10.3	0.43	1.10	2.7	15.35	0.38
401	307	**Masco**	73.6*	40⅞–11¼	24⅝	1.83	13.5	1.71	0.40	1.6	8.84	0.36
20	NR	**Masco Industries**	375.6††	18¾– 1½	11	0.79	14.0	0.64	none	0.0	3.69	0.34
891	832	**Mattel**	–51.9	17⅛– 4⅞	8	–0.37	def	0.36	none	0.0	3.21	0.40
782	568	**Maxicare Health**	–17.1†	28½– 6	6⅛	–1.49	def	0.13	none	0.0	6.82	1.03
NR	NR	**Maxus Energy**	NA	16 – 6	8½	–6.04	def	0.82	none	0.0	8.16	0.96
338	121	**May Dept Stores**	89.4	50⅞–13⅜	29¾	2.76	10.8	0.43	1.14	3.8	17.01	0.57
3	NR	**Mayfair Super Markets**	865.3	26¼– ⅜	14¾	1.25	11.8	0.24	none	0.0	2.62	0.18
237	181	**Maytag**	124.6	32⅝– 8⅝	21⅛	1.86	11.4	0.87	0.90	4.3	6.53	0.31
493	259	**MCA**	54.5	64½–21⅛	36½	1.78	20.5	1.09	0.68	1.9	20.88	0.57
614	481	**McCormick & Co**	28.6	51⅝–24⅝	34¼	2.80	12.2	0.39	1.00	2.9	22.59	0.66
802	910	**McDermott Intl**	–20.3	33⅛–13⅝	16⅛	–16.80	def	0.18	1.80	11.2	27.94	1.73
174	227	**McDonald's**	148.8	61⅛–15⅞	44½	2.77	16.0	1.83	0.50	1.1	12.58	0.28
559	336	**McDonnell Douglas**	42.3	91⅛–39¾	59¾	7.72	7.7	0.18	2.32	3.9	70.12	1.17
534	491	**McGraw-Hill**	47.5	84½–33⅞	55½	3.09	18.0	1.65	1.68	3.0	17.03	0.31
880	869	**MCI Communications**	–47.1	28½– 5	9⅝	–1.68	def	0.72	none	0.0	4.43	0.46
577	611	**McKesson**	39.1	40⅛–16¼	28	2.06	13.6	0.17	1.28	4.6	17.60	0.63
930	932	**MCorp**	–86.2	34⅞– 3	3⅝	–4.82	def	0.08	none	0.0	23.25	6.41
875	NR	**MDC Holdings**	–45.5	22½– 6	6¾	1.14	5.9	0.18	0.40	5.9	11.05	1.64
92	403	**Mead**	209.3	48⅜– 9⅛	29	2.29	12.6	0.45	0.66	2.3	16.91	0.58
101	464	**Media General**	198.9	48¼– 9¾	32½	–1.27	def	1.31	0.34	1.0	11.15	0.34
783	689	**Mellon Bank**	–17.1	72½–28	31⅜	–22.09	def	0.27	1.40	4.5	64.16	2.04
497	248	**Melville**	54.1	84 –30⅛	54½	4.74	11.5	0.52	1.76	3.2	23.29	0.43
560	386	**Mercantile Bancorp**	42.1	37⅛–13⅝	19½	–0.07	def	0.47	1.40	7.2	29.58	1.52
299	109	**Mercantile Stores**	105.2	53⅜–15	38	3.26	11.6	0.67	0.70	1.8	20.84	0.55
42	421	**Merck**	304.1	223 –39⅛	171	6.19	27.6	4.85	3.20	1.9	18.83	0.11
371	209	**Meredith**	80.1	43¼–13⅛	26	1.85	14.0	0.83	0.56	2.2	17.18	0.66
382	500	**Meridian Bancorp**	78.4†	27⅝– 9½	18⅞	2.55	7.4	0.68	1.00	5.3	16.42	0.87
888	881	**Meritor Financial**	–51.1†	13⅛– 4½	5½	–10.19	def	0.11	0.20	3.6	27.67	5.03
830	465	**Merrill Lynch**	–26.2	56½–21¾	22⅛	5.38	4.1	0.22	1.00	4.5	26.56	1.20
NR	NR	**Fred Meyer**	NA	17⅞–10⅛	12	1.21	9.9	0.15	none	0.0	8.61	0.72
143	572	**Michigan National**	168.1	49½–10¾	35¾	4.41	8.1	0.62	1.40	3.9	30.74	0.86
874	799	**Middle South Utils**	–45.3	16¾– 8⅛	8⅛	2.15	3.8	0.48	none	0.0	21.28	2.62
175	145	**Midlantic Banks**	148.7	52⅛–14⅛	35⅛	4.09	8.6	0.85	1.48	4.2	27.70	0.79
522	NR	**Midwest Energy**	49.8	26 –10¾	17⅛	1.47	11.7	0.68	1.52	8.9	12.08	0.71
288	349	**Herman Miller**	108.3	31 – 8	17⅞	1.42	12.6	0.73	0.44	2.5	8.69	0.49
412	558	**Minn Mining & Mfg**	70.3	83½–34⅛	63⅞	3.88	16.4	1.60	1.86	2.9	19.53	0.31
5	1	**Minstar**	734.1	35½– 1⅜	18¼	0.19	96.1	0.52	none	0.0	13.87	0.76
870	913	**Mitchell Energy**	–42.2	33⅛– 8¼	8⅞	0.12	74.0	0.76	0.24	2.7	12.02	1.35
124	175	**MNC Financial**	179.8	50⅞–11¾	32⅞	4.82	6.8	0.62	1.56	4.7	28.68	0.87
540	659	**Mobil**	46.3	55 –22½	36¾	2.63	14.0	0.31	2.20	6.0	37.28	1.01
275	233	**Mohasco**	112.8	28⅝– 6¾	15¼	0.85	17.9	0.26	0.28	1.8	16.39	1.07
388	341	**Monarch Capital**	77.1	91¼–23¾	42½	7.11	6.0	0.14	none	0.0	47.38	1.11
336	515	**Monsanto**	90.5	100¼–37⅛	72⅝	5.29	13.7	0.77	2.80	3.9	48.69	0.67
641	682	**Montana Power**	22.2	43⅜–16⅝	31⅝	2.30	13.8	1.13	2.68	8.5	31.78	1.00
594	584	**Moore Corp**	34.1	27⅝–11⅝	18½	1.30	14.2	0.77	0.76	4.1	11.01	0.60
780	895	**Moore McCormack**	–16.7	29½–14½	18¾	1.71	11.0	0.47	0.52	2.8	26.41	1.41
281	252	**JP Morgan & Co**	110.4	53⅝–14⅛	35½	1.21	29.3	0.97	1.36	3.8	27.42	0.77

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Sources: Forbes; William O'Neil & Co.

Rank 87	Rank 86	Company	5-year price change	1983-87 price range	Recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield	Book value (per share)	Book value/ recent price
NR	NR	**Morgan Stanley**	NA	85⅞–45	48¾	$10.14	4.8	0.40	$0.80	1.6%	$31.68	0.65
555	237	**Morrison**	43.3	24⅛– 9⅝	17⅛	1.16	14.7	0.52	0.40	2.3	8.64	0.51
572	656	**Morrison-Knudsen**	39.7	55⅝–23¾	33⅞	–4.20	def	0.19	1.48	4.4	39.74	1.17
225	199	**Morton Thiokol**	127.6	54¾–16	37¾	3.05	12.4	0.87	0.84	2.2	19.87	0.53
530	579	**Motorola**	47.9	74 –26⅞	42⅞	2.09	20.5	0.85	0.64	1.5	21.48	0.50
480	295	**Munford**	56.5	37⅞–10¼	17¼	–0.57	def	0.15	0.54	3.1	13.82	0.80
695	850	**Murphy Oil**	7.0	42¾–20¼	24⅞	–5.60	def	0.60	1.00	4.0	23.12	0.93
167	228	**Nacco Industries**	153.3	32¼– 8⅛	21	3.98	5.3	0.37	0.52	2.5	19.57	0.93
705	800	**Nalco Chemical**	3.4	45½–21	30	1.88	16.0	1.47	1.20	4.0	10.38	0.35
97	154	**Nash Finch**	204.4	27 – 5½	17¼	1.53	11.2	0.09	0.58	3.4	11.34	0.66
15	331	**Nashua**	405.0	40⅜– 4⅞	25⅞	2.42	10.7	0.30	0.28	1.1	18.23	0.70
107	212	**National City**	196.7	38½– 9	28⅛	2.89	9.7	0.81	1.20	4.3	20.79	0.74
729	708	**Natl Convenience**	–1.5	18½– 6	7⅞	–0.25	def	0.21	0.36	4.6	3.27	0.42
222	612	**National Distillers**	130.1	88 –22¾	56⅜	6.81	8.3	0.78	2.20	3.9	29.77	0.53
150	287	**National Fuel Gas**	162.2	24 – 6⅞	18¼	1.49	12.2	0.64	1.20	6.6	14.14	0.77
849	899	**National Intergroup**	–32.9	37⅝–10¼	11¾	–1.20	def	0.06	0.25	2.1	33.95	2.89
776	582	**National Medical**	–15.4	32⅞–17⅝	19⅝	0.90	21.8	0.50	0.64	3.3	12.47	0.64
426	648	**Natl Semiconductor**	67.1	22¼– 6⅜	12¼	–0.29	def	0.66	none	0.0	8.05	0.66
280	168	**National Service**	110.6	28⅝– 8¼	19¾	1.54	12.8	0.73	0.64	3.2	9.39	0.48
820	847	**National-Standard**	–23.5	18 – 7	7¾	–2.83	def	0.11	none	0.0	19.85	2.56
724	866	**Navistar Intl**	0.0	14¾– 3⅝	4¼	–0.17	def	0.29	none	0.0	–0.25	NE
117	183	**NBD Bancorp**	187.6	40⅛– 9⅛	29	3.42	8.5	0.72	1.20	4.1	29.24	1.01
297	312	**NCNB**	105.3	29⅛– 8⅞	19¼	2.45	7.9	0.68	0.92	4.8	16.42	0.85
102	128	**NCR**	198.8	87¼–19⅝	64¼	4.11	15.6	1.10	1.00	1.6	25.50	0.40
NR	NR	**Neiman-Marcus Group**	NA	45½–12⅝	13⅜	–1.20	def	0.38	0.20	1.5	NA	NA
519	395	**New England Electric**	50.4	35¼–14⅜	25	3.15	7.9	0.95	2.04	8.2	20.24	0.81
659	485	**NY State E&G**	17.9	38½–14¾	25½	–1.68	def	1.08	2.64	10.4	25.86	1.01
104	63	**New York Times**	198.7	49⅝– 9	28½	1.87	15.2	1.41	0.44	1.5	8.59	0.30
663	732	**Newmont Mining**	16.4‡	102¼–15½	32	3.78	8.5	4.38	0.60	1.9	23.85	0.75
778	707	**Niagara Mohawk Power**	–16.0	25½–11¾	13⅛	0.98	13.4	0.64	1.20	9.1	20.23	1.54
772	839	**Nicor**	–13.6	34½–19	23⅞	2.57	9.3	0.47	1.80	7.5	17.85	0.75
827	829	**NIKE**	–25.2	24¾– 3⅜	16⅞	1.19	14.2	0.71	0.40	2.4	8.90	0.53
907	956	**NL Industries**	–68.7	21⅛– 3⅜	5¾	–1.09	def	0.27	0.20	3.5	5.91	1.03
66	56	**Nordstrom**	242.2	40¾– 5⅝	20¾	1.37	15.1	0.92	none	0.0	5.57	0.27
616	683	**Norfolk Southern**	27.4	38¼–16⅛	23¼	2.27	10.2	1.08	1.20	5.2	26.78	1.15
315	378	**Norstar Bancorp**	100.2	35¾–12½	26	2.98	8.7	0.90	1.40	5.4	19.52	0.75
721	585	**Nortek**	0.8	19¼– 5	8⅛	1.26	6.4	0.10	0.10	1.2	14.83	1.82
391	289	**Northeast Utilities**	76.3	28¼–10⅝	21⅜	2.30	9.3	1.14	1.76	8.2	17.34	0.81
838	798	**No Indiana Pub Svc**	–29.7	15½– 8	8⅞	0.62	14.3	0.45	0.60	6.8	13.16	1.48
284	288	**No States Power**	109.2	40⅛–14¼	31⅜	3.21	9.8	1.11	2.02	6.4	20.81	0.66
168	216	**Northern Trust**	151.7	51 –14¾	37¾	–1.40	def	0.71	0.92	2.4	28.76	0.76
661	412	**Northrop**	16.4	56⅝–21⅞	29¼	1.47	19.9	0.23	1.20	4.1	19.29	0.66
394	445	**No'western Natl Life**	75.2	36½–14⅛	24¾	4.07	6.1	0.22	0.96	3.9	33.25	1.34
787	906	**Northwestern Steel**	–18.0	26¾– 8	16½	0.72	22.9	0.31	none	0.0	22.23	1.35
636	840	**Norton**	23.4	60½–30¾	40¼	–1.33	def	0.71	2.00	5.0	21.92	0.54
554	681	**Norwest**	44.2	48 –21½	35½	–1.83	def	0.46	1.80	5.1	38.42	1.08
451	686	**Nucor**	61.4	49½–17⅜	33⅝	2.15	15.6	0.90	0.36	1.1	18.16	0.54
803	510	**NWA**	–20.5	76 –33½	37⅜	4.05	9.2	0.22	0.90	2.4	46.29	1.24
255	540	**Nynex**	118.7†	78⅜–29⅜	67¼	6.14	11.0	1.15	3.80	5.7	43.75	0.65
617	790	**Occidental Petroleum**	27.2	39⅝–18	25⅛	0.83	30.3	0.31	2.50	9.9	24.79	0.99
367	636	**Ogden**	80.4	44⅝–12⅛	25¼	5.49	4.6	1.20	1.00	4.0	10.02	0.40
455	411	**Ogilvy Group**	61.0	45¼–14⅝	23¾	1.91	12.4	0.48	0.84	3.5	11.61	0.49
373	597	**Ohio Casualty**	79.6	49¼–17⅜	38½	5.01	7.7	0.56	1.68	4.4	26.80	0.70
551	624	**Ohio Edison**	44.6	23¼– 9⅜	20¼	2.60	7.8	1.71	1.96	9.7	16.96	0.84
490	405	**Oklahoma G&E**	54.8	38¾–16⅞	30	2.56	11.7	1.26	2.18	7.3	20.43	0.68
548	457	**Old Republic Intl**	45.2	38⅜–13⅞	22¾	4.68	4.9	0.36	0.74	3.3	27.38	1.20
504	593	**Olin**	53.2	56¼–23	36	3.04	11.8	0.47	1.60	4.4	30.56	0.85
NR	NR	**Omnicom Group**	NA	28¾–16¼	17⅝	1.07	16.5	0.56	0.98	5.6	7.11	0.40
740	748	**Oneok**	–4.2	44 –20	25½	1.36	18.8	0.61	2.56	10.0	24.71	0.97
464	368	**Orange & Rockland**	58.3	40 –17	29⅞	2.93	10.2	0.82	2.22	7.4	21.72	0.73
762	587	**Orion Capital**	–10.0	40¼–13⅝	14⅝	–6.73	def	0.19	0.76	5.2	17.70	1.21
630	269	**Outboard Marine**	24.7	38½–13½	18	2.56	7.0	0.27	0.64	3.6	23.06	1.28
NR	NR	**Owens-Corning**	NA	32⅜– 8⅞	14	4.88	2.9	0.18	none	0.0	–25.94	NE
715	384	**Oxford Industries**	1.8	25⅞–10½	11⅛	0.96	11.6	0.21	0.50	4.5	11.84	1.06
612	739	**Paccar**	28.9	78¼–38½	53	5.70	9.3	0.42	1.60	3.0	40.54	0.76

Note: Except as indicated, price changes are from Dec. 31, 1982 to Nov. 18, 1987. NR: Not ranked due to merger, spinoff, new issue or conversion to stock company. Range is for period since such change. *Price change does not reflect the value of shares received in a spinoff. †Four-year price change. ††Three-year price change. ‡Does not reflect special cash dividend of $33 paid in 1987. Price change would have been 136.4%. NA: Not available. NE: Negative equity. NM: Not meaningful. def: Deficit.

Sources: Forbes; William O'Neil & Co.

WHO'S WHERE IN THE STOCK MARKET

Rank 87	Rank 86	Company	5-year price change	1983-87 price range	Recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield	Book value (per share)	Book value/ recent price
NR	NR	**PACE Membership**	**NA**	21½– 3⅞	6	$0.05	NM	0.11	none	0.0%	$ 7.05	1.18
621	441	**Pacific G&E**	**26.2**	27⅞–12	17¾	1.50	11.8	0.90	$1.92	10.8	19.06	1.07
386	629	**Pacific Lighting**	**77.6**	61¼–27⅞	50⅛	3.81	13.2	0.57	3.48	6.9	26.25	0.52
691	766	**Pacific Resources**	**7.9**	17⅜– 5⅝	8⅜	0.15	55.9	0.16	0.05	0.6	10.06	1.20
316	580	**Pacific Telesis**	**100.0†**	33¾–12⅞	27¾	2.52	11.0	1.33	1.64	5.9	18.01	0.65
472	539	**PacifiCorp**	**57.4**	39 –20	33¼	3.69	9.0	1.06	2.52	7.6	24.71	0.74
881	499	**PaineWebber Group**	**–47.4**	49⅛–13⅛	16⅝	2.66	6.3	0.20	0.52	3.1	21.28	1.28
705	526	**Pan Am**	**3.4**	9½– 2⅞	3¾	–1.59	def	0.15	none	0.0	0.06	0.02
NR	NR	**Panhandle Eastern**	**NA**	34¾–18¼	23	–0.05	def	0.69	2.00	8.7	18.92	0.82
306	655	**Parker-Hannifin**	**103.5**	49 –12⅞	29	1.94	14.9	0.68	0.80	2.8	16.50	0.57
NR	NR	**Pay'n Save**	**NA**	16¼– 4	4⅜	–2.73	def	0.11	none	0.0	6.02	1.37
868	480	**Payless Cashways**	**–41.9**	34½–12	12¾	1.20	10.6	0.26	0.16	1.3	10.67	0.84
439	534	**Penn Central**	**64.5**	68⅜–24½	43⅜	3.12	13.9	1.02	0.05	0.1	54.58	1.26
340	305	**JC Penney**	**89.1**	66 –20⅞	45¾	3.98	11.5	0.45	1.48	3.2	29.01	0.63
444	459	**Pennsylvania P&L**	**63.1**	43⅜–19½	34¼	3.31	10.3	1.23	2.68	7.8	25.71	0.75
586	571	**Pennwalt**	**35.6**	68¼–29	40½	3.57	11.3	0.39	2.40	5.9	31.59	0.78
323	692	**Pennzoil**	**97.9**	95 –30¾	69½	1.28	54.3	1.70	2.20	3.2	16.79	0.24
355	272	**Pentair**	**84.1**	32¾–10	18¾	1.64	11.4	0.21	0.69	3.7	16.82	0.90
425	313	**Peoples Energy**	**67.1**	26¼– 8⅜	16½	1.66	9.9	0.46	1.44	8.7	14.02	0.85
47	NR	**Pep Boys**	**291.2**	18⅞– 2⅞	12½	1.13	11.1	1.31	0.08	0.5	3.80	0.30
134	479	**PepsiCo**	**174.8**	42¼–10⅞	32¾	2.14	15.3	0.77	0.68	2.1	7.91	0.24
798	NR	**Perini**	**–19.4††**	35⅛–21⅛	22⅜	2.25	9.9	0.10	0.80	3.6	26.50	1.18
800	815	**Perkin-Elmer**	**–20.2**	41⅛–17⅞	22⅝	–0.40	def	0.77	0.60	2.7	15.34	0.68
727	156	**Perry Drug Stores**	**–0.5**	20⅞– 4⅞	5¾	–0.30	def	0.08	0.22	3.8	8.17	1.42
440	271	**Petrie Stores**	**64.1**	40 –11⅝	21⅛	1.55	13.6	0.79	0.70	3.3	11.07	0.52
518	492	**Pfizer**	**50.6**	77 –29⅜	51⅞	4.20	12.4	1.78	1.80	3.5	20.70	0.40
583	912	**Phelps Dodge**	**36.9**	56 –12⅞	38½	2.03	19.0	0.90	0.60	1.6	30.04	0.78
816	727	**PHH Group**	**–23.0**	47 –18	28⅞	2.41	12.0	0.34	1.08	3.7	17.29	0.60
676	643	**Philadelphia Elec**	**13.2**	26 – 9	19¼	2.25	8.6	1.17	2.20	11.4	18.48	0.96
106	318	**Philip Morris Cos**	**197.1**	124½–27	89⅛	7.30	12.2	0.95	3.60	4.0	23.77	0.27
207	NR	**Philips Industries**	**133.6**	23⅞– 5¼	14¾	1.41	10.5	0.61	0.44	3.0	6.43	0.44
720	864	**Phillips Petroleum**	**1.1**	18¾– 8¼	11	–0.03	def	0.25	0.60	5.5	7.49	0.68
206	73	**Phillips-Van Heusen**	**134.1**	26½– 3¼	9⅛	2.87	3.2	0.30	0.28	3.1	10.87	1.19
173	164	**Pillsbury**	**149.0**	48⅞–10⅞	31⅛	2.49	12.5	0.43	1.12	3.6	16.00	0.51
674	688	**Pinnacle West**	**13.8**	32¾–14½	27¾	3.18	8.7	1.82	2.80	10.1	25.84	0.93
623	777	**Pioneer Hi-Bred Intl**	**25.5**	43¾–21¼	29½	1.69	17.5	1.12	1.04	3.5	15.99	0.54
105	71	**Pitney Bowes**	**198.4**	50¼–10½	34⅛	4.00	8.5	1.21	0.76	2.2	11.59	0.34
834	921	**Pittston**	**–27.3**	18¼– 9⅜	10	0.33	30.3	0.29	none	0.0	13.57	1.36
613	570	**Pittway**	**28.7**	116¾–49½	65½	6.36	10.3	0.48	1.80	2.7	61.50	0.94
416	552	**PNC Financial**	**69.7†**	51 –15⅞	36⅜	4.07	8.9	1.15	1.68	4.6	24.57	0.68
406	210	**Polaroid**	**71.3**	42¾–12⅛	21⅝	2.50	8.7	0.76	0.60	2.8	16.07	0.74
517	358	**Portland General**	**50.8**	36¾–13	23	1.82	12.6	1.39	1.96	8.5	18.58	0.81
578	600	**Potlatch**	**38.8**	41⅞–12⅞	25½	3.68	6.9	0.69	0.92	3.6	20.10	0.79
170	180	**Potomac Electric**	**150.7**	29⅝– 8⅛	22⅞	2.18	10.5	1.60	1.30	5.7	11.84	0.52
161	165	**PPG Industries**	**158.0**	53½–12½	33⅜	3.56	9.4	0.79	1.20	3.6	16.57	0.50
NR	NR	**Premark Intl**	**NA**	31¾–17½	22⅛	–1.48	def	0.36	0.32	1.4	16.83	0.76
774	NR	**Premier Bancorp**	**–14.6**	20½– 6⅝	8¾	–0.19	def	0.47	none	0.0	12.99	1.48
220	313	**Price Co**	**131.3**	55¾– 8¾	27¾	1.50	18.5	0.42	none	0.0	6.18	0.28
234	219	**Primark**	**125.1**	29⅛– 7⅞	18⅜	2.57	7.2	0.26	1.30	7.1	23.00	1.25
861	819	**Prime Computer**	**–38.8**	31 –11¾	14⅛	1.17	12.1	0.74	none	0.0	9.08	0.64
393	410	**Primerica**	**75.7**	53½–15⅛	27⅛	4.40	6.2	0.42	1.60	5.9	23.29	0.86
539	605	**Procter & Gamble**	**46.3**	103½–45⅝	86½	2.35	36.8	0.84	2.70	3.1	33.96	0.39
36	NR	**Progressive**	**317.3**	38½– 7⅜	30½	3.32	9.2	0.97	0.40	1.3	11.13	0.36
618	626	**Provident Life & Acc**	**26.7**	33 –11⅜	16	3.54	4.5	0.25	0.84	5.3	27.00	1.69
815	668	**PS Group**	**–22.9**	38⅛–15	23⅝	6.25	3.8	0.41	0.60	2.5	27.77	1.18
658	762	**Public Service Colo**	**18.0**	24⅛–16	20½	2.72	7.5	0.65	2.00	9.8	15.29	0.75
882	868	**Public Service Ind**	**–48.2**	27⅜– 6⅞	12⅞	2.17	5.9	0.66	none	0.0	2.26	0.18
918	905	**Public Service NH**	**–78.6**	20 – 2¼	3¾	2.27	1.7	0.27	none	0.0	19.61	5.23
789	698	**Public Service NM**	**–18.3**	39¼–19½	21¼	2.66	8.0	1.25	2.92	13.7	26.51	1.25
457	436	**Public Svc Enterprise**	**60.5**	32⅛–13⅜	24⅞	1.73	14.4	1.19	2.00	8.0	17.93	0.72
287	64	**Pueblo International**	**108.8**	28⅛– 6½	17¾	1.86	9.5	0.08	0.20	1.1	15.62	0.88
626	649	**Puget Sound P&L**	**25.2**	25¼– 9¼	19¼	1.59	12.1	1.41	1.76	9.1	15.29	0.79
389	273	**Pullman**	**76.7**	10⅝– 2⅜	4¾	0.38	12.5	0.37	0.12	2.5	4.01	0.84
903	169	**Pulte Home**	**–60.6**	37½– 6⅞	7⅝	0.90	8.5	0.22	0.12	1.6	7.94	1.04
35	113	**Quaker Oats**	**318.7**	57⅝–10⅛	44⅞	2.77	16.2	0.75	1.00	2.2	17.34	0.39

Note: Except as indicated, price changes are from Dec. 31, 1982 to Nov. 18, 1987. NR: Not ranked due to merger, spinoff, new issue or conversion to stock company. Range is for period since such change. *Price change does not reflect the value of shares received in a spinoff. †Four-year price change. ††Three-year price change. ‡Does not include stock dividends given in another company as part of the dividend. NA: Not available. NE: Negative equity. NM: Not meaningful. def: Deficit.

Sources: Forbes; William O'Neil & Co.

WHO'S WHERE IN THE STOCK MARKET

Rank 87	Rank 86	Company	5-year price change	1983-87 price range	Recent price	Latest 12-month earnings per share	Price/earnings ratio	Price/sales ratio	Indicated annual dividend	Current yield	Book value (per share)	Book value/recent price
733	502	**Quaker State Oil**	–3.2	31¾–12⅞	15¼	$–1.55	def	0.48	$0.80	5.2%	$14.83	0.97
365	431	**Questar**	80.8	46⅜–15½	31⅝	2.11	15.0	1.25	1.88	5.9	23.72	0.75
46	53	**Ralston Purina**	292.9	94 –16⅜	68¾	7.27	9.5	0.83	1.24	1.8	13.10	0.19
669	784	**Ramada**	14.7	11⅞– 4	5⅞	0.26	22.6	0.32	none	0.0	7.59	1.29
417	710	**Raychem**	69.5	54⅞–15⅞	37½	2.39	15.7	1.37	0.24	0.6	16.07	0.43
511	630	**Raytheon**	52.2	84⅞–34¾	68⅛	5.76	11.8	0.66	1.80	2.6	26.39	0.39
NR	NR	**Reebok International**	NA	25⅛– 2⅞	10⅞	1.47	7.4	0.95	0.20	1.8	2.82	0.26
NR	NR	**Reliance Group**	NA	11½– 5	6⅛	2.05	3.0	0.13	0.24	3.9	4.35	0.71
442	521	**Republic New York**	63.8	57¾–21	41½	1.22	34.0	0.81	1.16	2.8	33.18	0.80
675	275	**Resorts Intl**	13.4	77 –21¾	25⅜	–2.88	def	0.36	none	0.0	15.97	0.63
693	NR	**Reynolds & Reynolds**	7.3	41½–12⅞	16½	1.91	8.6	0.57	0.76	4.6	16.14	0.98
68	573	**Reynolds Metals**	241.9	61¾–12½	43⅛	4.08	10.6	0.60	0.60	1.4	26.28	0.61
429	460	**Riggs National**	66.7	41½–11⅜	20	0.86	23.3	0.61	1.10	5.5	23.85	1.19
259	255	**Rite Aid**	116.5	46¼–14⅛	33⅜	3.17	10.5	0.67	0.66	2.0	10.96	0.33
191	372	**RJR Nabisco**	141.4*	71⅛–18⅛	49¼	4.77	10.3	0.78	1.92	3.9	21.22	0.43
704	621	**RLC**	4.2	12¼– 4⅝	6¼	0.26	24.0	0.26	0.20	3.2	6.59	1.05
726	613	**Roadway Services**	–0.4	45¾–23¼	28½	1.44	19.8	0.63	1.10	3.9	16.28	0.57
879	934	**HH Robertson**	–46.5	48½–10⅞	14½	–3.05	def	0.15	none	0.0	15.23	1.05
768	871	**AH Robins**	–12.7	29⅝– 5½	15½	3.58	4.3	0.45	none	0.0	2.03	0.13
741	640	**Rochester G&E**	–4.4	29⅞–12¼	16⅜	1.51	10.8	0.66	1.50	9.2	24.93	1.52
380	401	**Rockwell Intl**	78.8	31 –10	19	2.27	8.4	0.44	0.66	3.5	10.89	0.57
217	207	**Rohm & Haas**	131.8	53¼–12⅝	30⅛	2.73	11.0	0.97	0.92	3.1	14.53	0.48
178	88	**Rohr Industries**	145.6	39 – 6¾	17½	1.53	11.4	0.47	none	0.0	19.54	1.12
456	NR	**Rollins**	60.5††	24⅜– 6⅞	15¼	0.91	16.8	1.01	0.50	3.3	1.92	0.13
95	62	**Roper Corp**	206.5	29⅞– 5½	16⅜	2.12	7.7	0.21	0.60	3.7	9.23	0.56
516	466	**Rorer Group**	51.6	58¾–21¼	37⅛	1.17	31.7	0.89	1.16	3.1	17.90	0.48
80	28	**Rose's Stores**	221.0	23 – 3	9⅝	1.19	8.1	0.15	0.21	2.2	8.80	0.91
NR	NR	**Ross Stores**	NA	20¼– 3⅜	4⅞	–1.33	def	0.24	none	0.0	3.30	0.68
108	85	**Rubbermaid**	196.7	35 – 7⅜	22¼	1.11	20.0	1.71	0.36	1.6	4.91	0.22
334	449	**Ruddick**	91.8	21⅛– 8⅞	17⅜	1.50	11.6	0.16	0.45	2.6	12.39	0.71
506	162	**Ryder System**	52.8	43 –12¾	24⅛	2.28	10.6	0.43	0.52	2.2	14.69	0.61
341	258	**Rykoff-Sexton**	88.9	32⅜– 8½	19⅛	1.38	13.9	0.12	0.60	3.1	13.60	0.71
652	78	**Ryland Group**	19.3	33 – 6¼	14½	2.65	5.5	0.22	0.40	2.8	8.30	0.57
236	326	**Safeco**	125.0	38 –11½	29¼	4.61	6.3	0.78	0.96	3.3	19.68	0.67
468	685	**St Paul Cos**	57.9	60 –19	48¼	6.51	7.4	0.66	1.76	3.6	31.15	0.65
831	253	**Salomon**	–26.7	59⅛–17⅝	18⅛	1.96	9.3	0.43	0.64	3.5	22.72	1.25
349	280	**San Diego G&E**	86.3	42½–16¾	32⅛	2.95	10.9	1.01	2.50	7.8	21.59	0.67
332	752	**Santa Fe Southern**	91.9†	65 –20¼	50⅜	0.06	NM	1.44	1.00	2.0	32.11	0.64
86	117	**Sara Lee**	213.6	49⅛– 9½	35⅜	2.41	14.7	0.40	1.20	3.4	13.29	0.38
240	352	**Savannah Foods**	123.9	37½–11⅛	25¾	1.91	13.5	0.21	0.88	3.4	16.86	0.65
934	937	**Savin**	–91.3	9⅛– ¼	⅝	–0.01	def	0.05	none	0.0	–4.22	NE
397	355	**Scana**	74.3	42⅞–17	31⅜	3.33	9.4	1.12	2.32	7.4	20.77	0.66
214	299	**Schering-Plough**	132.4	55¼–16½	45¾	3.06	15.0	2.04	1.20	2.6	12.48	0.27
836	908	**Schlumberger**	–29.2	62⅝–26	33	–7.70	def	2.19	1.20	3.6	14.67	0.44
656	422	**SCI Systems**	18.5	23⅛– 6⅞	11⅝	0.80	14.7	0.42	none	0.0	6.39	0.54
77	149	**Scott Paper**	225.9	87 –18⅝	66	5.74	11.5	0.60	1.36	2.1	37.14	0.56
857	751	**Scotty's**	–36.6	21⅛–10	12¼	0.76	16.1	0.34	0.52	4.2	11.84	0.97
645	NR	**Seagate Technology**	21.4	45¾– 4	12¾	2.61	4.9	0.61	none	0.0	7.36	0.58
223	225	**Seagram**	128.8	82⅜–24	56¼	4.85	11.6	2.01	1.10	2.0	41.42	0.74
651	652	**Sealed Power**	19.3	39⅝–19¾	26⅝	2.84	9.4	0.45	1.10	4.1	22.23	0.83
640	360	**Sears, Roebuck**	22.4	59½–27	36⅞	4.31	8.6	0.29	2.00	5.4	33.98	0.92
301	525	**Seaway Food Town**	104.3	31 –11	23½	1.91	12.3	0.06	0.68	2.9	19.35	0.82
361	512	**Security Pacific**	81.6	43⅞–14⅞	28	1.71	16.4	0.31	1.80	6.4	33.25	1.19
144	236	**Sequa**	165.7	88⅜–17¾	47½	20.37	2.3	0.53	0.60	1.3	53.14	1.12
914	634	**Service Merchandise**	–74.1	27 – 3½	3⅝	–0.38	def	0.05	0.08	2.2	8.36	2.30
795	586	**Shaklee**	–18.8	42¼–11⅜	16⅛	1.47	11.0	0.43	0.72	4.5	17.14	1.06
109	21	**Shaw Industries**	195.2	30¾– 4	14⅛	1.73	8.2	0.33	0.60	4.2	9.22	0.65
447	350	**Shawmut**	62.3	55½–20⅝	36¼	2.72	13.3	0.59	2.04	5.6	39.36	1.09
NR	NR	**Shearson Lehman Bros**	NA	34⅛–12½	14⅞	NA	NA	0.25	0.75	5.0	17.30	1.16
216	87	**Sherwin-Williams**	131.8	38½– 9⅛	25½	2.51	10.2	0.65	0.56	2.2	11.15	0.44
460	139	**Shoney's**	59.5	33⅜–11	20⅝	1.27	16.2	1.07	0.16	0.8	7.11	0.34
241	112	**Signet Banking**	123.4	38½–10½	23⅞	1.15	20.8	0.60	1.32	5.5	21.16	0.89
153	274	**Singer**	159.9*	59 –17⅜	49⅝	5.90	8.4	0.57	0.40	0.8	22.12	0.45
877	835	**Skyline**	–45.8	30¾–11⅛	13	1.12	11.6	0.46	0.48	3.7	11.88	0.91
300	322	**AO Smith**	104.9	32⅛– 5⅞	14	2.12	6.6	0.12	0.80	5.7	26.95	1.93

Note: Except as indicated, price changes are from Dec. 31, 1982 to Nov. 18, 1987. NR: Not ranked due to merger, spinoff, new issue or conversion to stock company. Range is for period since such change. *Price change does not reflect the value of shares received in a spinoff. †Four-year price change. ††Three-year price change. ‡Does not include stock dividends given in another company as part of the dividend. NA: Not available. NE: Negative equity. NM: Not meaningful. def: Deficit.

Sources: Forbes; William O'Neil & Co.

Rank 87	Rank 86	Company	5-year price change	1983-87 price range	Recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield	Book value (per share)	Book value/ recent price
913	959	**Smith International**	–73.9	31¼– 1¼	7⅜	–$3.76	def	0.62	none	0.0%	$ 1.47	0.20
17	31	**Smithfield Foods**	382.8	27½– 3⅛	17½	1.65	10.6	0.07	none	0.0	8.32	0.48
580	755	**SmithKline Beckman**	37.3	72¾– 25	47⅜	5.30	8.9	1.45	$1.66	3.5	10.19	0.22
200	400	**Snap-on Tools**	137.0	46½– 12⅜	32	1.94	16.5	1.81	0.76	2.4	9.28	0.29
141	218	**Society**	169.7	40 – 10¾	30	4.58	6.6	0.78	1.20	4.0	24.28	0.81
731	859	**Sonat**	–2.3	43⅛– 21⅜	25⅞	–7.00	def	0.69	2.00	7.7	24.10	0.93
155	239	**Sonoco Products**	159.5	30¾– 7⅛	21¼	1.80	11.8	0.79	0.52	2.4	7.60	0.36
883	890	**Soo Line**	–48.5	36⅞– 15	15½	–5.38	def	0.24	none	0.0	27.58	1.78
453	498	**Southeast Banking**	61.3	31⅜– 12⅝	21½	1.39	15.5	0.55	0.88	4.1	20.96	0.97
370	442	**So Calif Edison**	80.1	38¾– 17⅛	31⅝	2.97	10.6	1.27	2.38	7.5	22.10	0.70
566	506	**Southern Company**	40.8	29 – 14⅜	22	3.12	7.1	0.90	2.14	9.7	21.09	0.96
446	398	**So New England Tel**	62.3	61½– 27⅝	48½	4.51	10.8	1.03	2.88	5.9	33.03	0.68
246	392	**Southland**	121.2	80¼– 23	57⅛	2.79	20.5	0.34	none	0.0	32.52	0.57
615	394	**Southmark**	27.4	14 – 4	5⅜	1.21	4.4	0.28	0.24	4.5	10.47	1.95
855	566	**Southwest Airlines**	–34.3	35¼– 13¼	14	0.63	22.2	0.58	0.13	0.9	15.87	1.13
311	433	**Southwest Gas**	102.5	26¾– 9½	20	1.95	10.3	0.82	1.34	6.7	14.73	0.74
351	591	**Southwestern Bell**	85.4†	45½– 18⅜	36⅛	4.88	7.5	1.39	2.32	6.4	26.07	0.72
536	386	**Southwestern Pub Svc**	47.4	37⅞– 14⅞	24⅞	2.18	11.4	1.32	2.12	8.5	14.82	0.60
575	671	**Sovran Financial**	39.6†	44½– 16⅞	29¾	3.79	7.8	0.81	1.44	4.8	20.36	0.68
NR	NR	**Spiegel**	NA	16¼– 6¼	8½	1.06	8.0	0.37	none	0.0	3.32	0.39
558	501	**Springs Industries**	42.7	38¼– 15¼	28	3.99	7.0	0.31	0.84	3.0	26.24	0.94
590	676	**Square D**	34.7	65½– 30⅜	46⅛	4.02	11.5	0.92	1.92	4.2	23.16	0.50
93	226	**Squibb**	208.5	102⅞– 18¼	68¼	7.42	9.2	3.98	1.20	1.8	13.12	0.19
NR	NR	**SSMC**	NA	26½– 11½	13¾	1.28	10.7	0.13	none	0.0	28.68	2.09
710	754	**Staley Continental**	2.6	34⅝– 17¾	19½	1.48	13.2	0.17	0.80	4.1	23.28	1.19
390	575	**Stanadyne**	76.5	35 – 11¼	20	2.04	9.8	0.55	0.92	4.6	15.04	0.75
374	283	**Std Commercial Tobacco**	79.5	26¼– 10⅝	19¾	2.44	8.1	0.16	0.50	2.5	23.43	1.19
NR	NR	**Standard Fedl Bank**	NA	11 – 5⅜	5½	NA	NA	0.21	none	0.0	9.37	1.70
70	NR	**Standard Register**	239.1	28½– 5⅛	19½	1.63	12.0	0.88	0.44	2.3	8.16	0.42
476	NR	**Standard Shares**	56.7	105 – 41	67	10.07	6.7	0.28	none	0.0	56.15	0.84
532	487	**Stanley Works**	47.7	36⅝– 13	24⅛	1.92	12.6	0.62	0.88	3.6	13.05	0.54
94	34	**State Street Boston**	207.7	36⅛– 6½	21¼	2.22	9.6	1.08	0.44	2.1	11.19	0.53
227	532	**Sterling Drug**	126.7	69¼– 22⅛	51	3.28	15.5	1.31	1.52	3.0	16.61	0.33
609	493	**JP Stevens**	29.1	49⅞– 15¼	27¾	3.16	8.8	0.30	1.20	4.3	29.38	1.06
561	923	**Stewart & Stevenson**	41.9	25¾– 9⅝	16½	1.21	13.6	0.27	none	0.0	15.32	0.93
601	774	**Stewart-Warner**	31.5	37¼– 24⅝	32⅞	–3.59	def	0.81	1.68	5.1	20.92	0.64
88	135	**Stone Container**	212.7	59¾– 10⅛	32¼	4.19	7.7	0.44	0.40	1.2	13.55	0.42
485	45	**Stop & Shop Cos**	56.0	40 – 12⅜	21¼	1.32	16.1	0.14	0.64	3.0	15.51	0.73
935	960	**Storage Technology**	–93.5	25 – 1	1⅜	0.14	9.9	0.43	none	0.0	–0.52	NE
91	30	**Strawbridge**	210.9	55½– 7¾	24¾	3.08	8.0	0.23	0.93	3.8	23.27	0.94
122	371	**Student Loan**	181.0†	89½– 21	70¼	3.85	18.2	1.75	0.36	0.5	10.77	0.15
813	92	**Subaru of America**	–22.7	39 – 5¾	6⅜	0.14	45.6	0.17	0.38	6.0	6.52	1.02
461	767	**Sun Company**	59.4	73⅛– 30¼	50	3.08	16.2	0.66	3.00	6.0	48.43	0.97
NR	NR	**Sun Microsystems**	NA	45¾– 11¼	29¼	1.24	23.6	1.53	none	0.0	7.16	0.24
764	749	**Sundstrand**	–10.8	64½– 34⅜	39¼	1.78	22.1	0.53	1.80	4.6	32.24	0.82
NR	NR	**SunTrust Banks**	NA	28 – 15½	19⅞	1.99	10.0	1.04	0.68	3.4	11.59	0.58
65	51	**Super Food Services**	244.5	29⅛– 5¼	18¾	1.68	11.2	0.08	0.38	2.0	10.28	0.55
876	844	**Super Rite Foods**	–45.6†	27¼– 6¾	7¾	0.79	9.8	0.06	0.20	2.6	6.63	0.86
514	477	**Super Valu Stores**	51.7	30⅜– 11⅞	19⅝	1.34	14.6	0.16	0.44	2.2	8.00	0.41
604	270	**Sysco**	31.2	41½– 12⅞	25¾	1.37	18.8	0.30	0.32	1.2	10.20	0.40
187	86	**Talley Industries**	142.4	24⅜– 4¾	11⅞	–1.58	def	0.37	0.30	2.5	12.42	1.05
NR	NR	**Talman Home Federal**	NA	13½– 6¼	6⅜	NA	NA	0.11	none	0.0	30.95	4.85
313	NR	**Tambrands**	101.0	71⅛– 22½	50½	3.40	14.9	2.15	1.92	3.8	11.72	0.23
375	753	**Tandem Computers**	79.3	37⅞– 6½	22¾	1.08	21.1	2.02	none	0.0	6.09	0.27
847	775	**Tandy**	–32.5	63½– 22⅞	34¼	2.92	11.7	0.87	0.50	1.5	15.38	0.45
NR	NR	**TCF Banking & Savings**	NA	17¾– 7	7⅛	0.62	11.5	0.09	none	0.0	29.73	4.17
244	419	**TECO Energy**	121.7	27⅞– 10	23	2.04	11.3	1.36	1.34	5.8	13.34	0.58
526	561	**Tecumseh Products**	48.7	160 – 78½	117½	11.80	10.0	0.72	4.20	3.6	94.69	0.81
756	779	**Tektronix**	–9.1	43⅛– 23¾	26¼	1.00	26.3	0.59	0.60	2.3	22.67	0.86
26	82	**Tele-Communications**	346.1	30¼– 4	20⅝	0.37	55.8	2.14	none	0.0	4.88	0.24
276	478	**Teledyne**	112.6*	390 –123	275	21.27	12.9	0.99	4.00	1.5	139.77	0.51
250	16	**Telex**	119.3	101½– 18⅝	48¼	5.10	9.5	0.83	none	0.0	23.99	0.50
443	641	**Temple-Inland**	63.2†	68½– 20¼	42¾	4.40	9.7	0.83	0.72	1.7	30.61	0.72
600	781	**Tenneco**	31.7	62½– 31⅞	42⅝	–0.33	def	0.44	3.04	7.1	29.63	0.70
846	911	**Tesoro Petroleum**	–31.1	20⅞– 7½	11⅝	–0.80	def	0.12	none	0.0	13.77	1.18

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Sources: Forbes; William O'Neil & Co.

WHO'S WHERE IN THE STOCK MARKET

Rank 87	Rank 86	Company	5-year price change	1983-87 price range	Recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield	Book value (per share)	Book value/ recent price
734	805	**Texaco**	−3.2	48⅜–26	30⅛	$1.66	18.2	0.22	none	0.0%	$56.71	1.88
686	40	**Texas Air**	9.3	51½– 4¾	11¾	−5.92	def	0.06	none	0.0	18.64	1.59
919	916	**Texas American Bcsh**	−79.6	45¾– 5	5¾	−2.73	def	0.12	none	0.0	23.44	4.08
806	785	**Texas Eastern**	−21.1	41⅜–20½	22⅞	1.68	13.6	0.33	$1.00	4.4	23.27	1.02
725	780	**Texas Industries**	−0.1	39⅞–22¼	31½	−0.12	def	0.45	0.80	2.5	22.46	0.71
749	709	**Texas Instruments**	−7.8	80¼–28¾	41⅜	3.01	13.7	0.60	0.72	1.7	18.60	0.45
632	647	**Texas Utilities**	24.5	37½–20¾	29¼	4.65	6.3	1.08	2.80	9.6	31.24	1.07
362	452	**Textron**	81.1	39¾–11¾	21½	4.15	5.2	0.25	1.00	4.7	22.39	1.04
819	867	**Thorn Apple Valley**	−23.4	9¾– 3¾	4½	−0.13	def	0.03	none	0.0	8.13	1.81
928	933	**TIE/Communications**	−85.5	40⅜– 1¾	2¾	−1.42	def	0.39	none	0.0	4.34	1.58
653	930	**Tiger International**	19.2	17¾– 3⅝	10⅛	1.35	7.5	0.27	none	0.0	−1.37	NE
352	715	**Time Inc**	84.5‡	116⅞–33¾	78⅞	3.53	22.3	1.14	1.00	1.3	21.60	0.27
253	329	**Times Mirror**	118.8	105⅞–28¼	68¼	4.80	14.2	1.44	1.64	2.4	20.19	0.30
692	894	**Timken**	7.4	80¼–39½	54½	−5.16	def	0.67	1.00	1.8	64.03	1.17
933	855	**Todd Shipyards**	−90.3	41¾– 2¾	3	−16.33	def	0.03	none	0.0	17.74	5.91
41	115	**Torchmark**	307.7*	38½– 6⅜	26⅝	2.94	9.1	1.06	1.00	3.8	12.52	0.47
429	196	**Toro**	66.7	23¾– 6	15	1.52	9.9	0.30	0.40	2.7	7.43	0.50
927	953	**Tosco**	−85.3	14⅝– 1	1⅝	−1.21	def	0.05	none	0.0	1.15	0.71
202	95	**Toys "R" Us**	135.1	42¾–11½	28⅜	1.22	23.3	1.34	none	0.0	7.24	0.26
404	718	**Tracor**	71.8	33 –14¾	31⅞	1.50	21.3	0.93	0.40	1.3	10.89	0.34
495	610	**Trans World Airlines**	54.3†	35 – 7⅛	17¾	1.95	9.1	0.14	none	0.0	1.61	0.09
568	695	**Transamerica**	40.7	51½–20⅞	32⅞	5.25	6.3	0.37	1.84	5.6	28.61	0.87
775	825	**Transco Energy**	−15.1	63½–18	21¾	−2.50	def	0.20	1.36	6.3	27.81	1.28
510	548	**Travelers**	52.3	59½–22⅜	36¾	4.84	7.6	0.21	2.28	6.2	45.40	1.24
7	18	**Triangle Industries**	669.2	44 – 3¼	25	2.23	11.2	0.14	0.12	0.5	16.46	0.66
215	559	**Tribune**	131.8†	49¾–12	35½	1.52	23.4	1.32	0.60	1.7	13.91	0.39
521	808	**Trinity Industries**	50.0	34¾–12	18¾	0.23	81.5	0.58	0.50	2.7	10.08	0.54
164	241	**Trinova**	156.3	44¼– 9	25⅝	−0.81	def	0.55	0.56	2.2	16.09	0.63
627	642	**TRW**	25.0	70 –29¼	42¼	4.52	9.3	0.38	1.60	3.8	19.81	0.47
643	678	**Turner**	22.0	31⅜–14⅞	18¾	−4.23	def	0.03	1.30	6.9	17.88	0.95
687	NR	**Turner Broadcasting**	9.3	15⅞– 5⅜	10⅜	−7.24	def	0.73	none	0.0	−8.18	NE
NR	NR	**TW Services**	NA	23 – 9¼	14⅛	0.51	27.7	0.32	0.10	0.7	8.49	0.60
21	42	**Tyco Laboratories**	374.3	28⅛– 4⅜	20¾	0.84	24.9	0.68	0.24	1.2	6.46	0.31
690	810	**Tyler**	7.9	17¾– 9⅛	10¼	0.68	15.1	0.17	0.44	4.3	10.15	0.99
2	6	**Tyson Foods**	921.1	25½– 1⅜	16	1.06	15.1	0.57	0.04	0.3	3.19	0.20
628	813	**UGI**	24.9	32 –16½	25⅛	2.31	10.9	0.56	2.04	8.1	20.44	0.81
488	NR	**UNC**	55.4	13¾– 3	7⅜	0.71	10.4	0.19	none	0.0	6.31	0.85
427	517	**Union Camp**	66.8	48⅛–20	33½	2.89	11.6	1.11	1.16	3.5	18.62	0.56
629	729	**Union Carbide**	24.8	32½–10⅞	22	1.38	15.9	0.43	1.50	6.8	7.87	0.36
408	309	**Union Electric**	70.9	31¾–12	23½	3.20	7.3	1.24	1.92	8.2	19.53	0.83
670	788	**Union Pacific**	14.6	86⅝–34¼	53⅞	5.00	10.8	1.01	2.00	3.7	33.29	0.62
NR	NR	**Union Texas Petrol**	NA	14½– 7⅝	8	−0.59	def	0.56	none	0.0	−6.06	NE
229	448	**Unisys**	126.3	48⅜–13⅛	31½	−2.74	def	0.47	0.92	2.9	20.55	0.65
4	12	**United Artists**	852.9	30⅜– 2	20¼	0.19	NM	1.38	none	0.0	2.80	0.14
739	756	**United Banks of Colo**	−4.0	35½–14½	14⅞	−0.38	def	0.42	none	0.0	NE	1.74
23	330	**United Brands**	373.5	50 – 7¾	40¼	3.58	11.2	0.19	0.60	1.5	26.46	0.66
923	896	**United Financial**	−81.7	12⅞– ¾	⅞	−8.77	def	0.01	none	0.0	9.00	9.57
718	618	**United Illuminating**	1.5	36¼– 9	25⅞	6.63	3.9	0.73	2.32	9.0	40.50	1.56
132	NR	**United Jersey Banks**	175.5	32½– 7⅝	22½	2.38	9.5	1.01	0.96	4.3	14.84	0.66
865	313	**United Merchants**	−40.6	21½– 4¼	4⅜	−2.64	def	0.05	none	0.0	11.04	2.52
331	644	**US Bancorp**	93.7	31¼–10¼	21⅛	2.80	7.5	0.75	0.80	3.8	20.93	0.99
569	NR	**US Healthcare**	40.3†	22⅞– 1¾	5¾	0.83	6.9	0.50	0.16	2.8	3.82	0.66
921	888	**US Home**	−80.6	20¾– 1⅝	2⅝	0.10	26.3	0.13	none	0.0	5.55	2.11
650	321	**US Shoe**	19.4	34¾–11½	16⅜	0.91	18.0	0.34	0.46	2.8	11.02	0.67
499	297	**United Stationers**	54.1	28¾– 8¼	14¼	0.99	14.4	0.30	0.28	2.0	7.84	0.55
671	508	**United Technologies**	14.4	60½–26⅛	32⅜	1.30	24.9	0.25	1.40	4.3	29.14	0.90
649	746	**United Telecom**	19.8	33⅜–17⅜	25	−0.56	def	0.85	1.92	7.7	17.33	0.69
NR	NR	**Univar**	NA	28 – 9⅜	15⅞	0.72	22.1	0.14	0.20	1.3	9.80	0.62
437	334	**Universal Foods**	64.6	34⅝–12⅝	25⅜	2.10	12.1	0.42	0.88	3.5	14.65	0.58
230	426	**Universal Leaf**	126.3	36¾–13	30⅛	3.50	8.6	0.23	1.16	3.9	18.94	0.63
714	893	**Unocal**	1.9	51 –15⅝	27⅛	1.72	15.8	0.39	1.00	3.7	14.45	0.53
NR	NR	**UNUM Corp**	NA	31⅜–16⅛	17¾	NA	NA	0.41	0.40	2.3	26.81	1.51
45	186	**Upjohn**	301.1	53¾– 7⅛	31	2.27	13.7	2.36	0.60	1.9	7.85	0.25
356	551	**US West**	83.8†	62 –27⅝	51⅛	5.03	10.2	1.16	3.28	6.4	38.31	0.75
745	222	**USAir Group**	−6.0	53½–22	31⅛	5.93	5.3	0.50	0.12	0.4	38.71	1.24

Note: Except as indicated, price changes are from Dec. 31, 1982 to Nov. 18, 1987. NR: Not ranked due to merger, spinoff, new issue or conversion to stock company. Range is for period since such change. *Price change does not reflect the value of shares received in a spinoff. †Four-year price change. ††Three-year price change. ‡Does not include stock dividends given in another company as part of the dividend. NA: Not available. NE: Negative equity. NM: Not meaningful. def: Deficit.

Sources: Forbes; William O'Neil & Co.

Rank 87	Rank 86	Company	5-year price change	1983-87 price range	Recent price	Latest 12-month earnings per share	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend	Current yield	Book value (per share)	Book value/ recent price
545	607	USF&G	45.5	48¾–17⅝	33	$2.66	12.4	0.51	$2.48	7.5%	$21.74	0.66
232	103	USG	125.7	55⅞–10	28½	4.56	6.3	0.51	1.12	3.9	11.05	0.39
525	NR	Uslico	48.9	31⅜–12	18½	3.09	6.0	0.40	0.88	4.8	22.22	1.20
592	545	USLife	34.3	49½–21⅞	30⅞	4.36	7.1	0.48	1.28	4.1	46.27	1.50
34	356	UST Inc	322.0	32¼–10½	24¾	1.90	13.1	2.50	1.20	4.8	3.33	0.13
582	885	USX	36.9	39⅜–14½	28¾	–3.99	def	0.60	1.20	4.2	18.60	0.65
585	657	Utah Power & Light	35.7	37¼–20⅜	28½	1.64	17.4	1.69	2.32	8.1	18.24	0.64
277	NR	UtiliCorp United	112.2	22¼– 7¼	16⅛	1.90	8.5	0.42	1.04	6.4	14.39	0.89
917	936	Valero Energy	–75.3	36¾– 4½	6	0.26	23.1	0.17	none	0.0	13.34	2.22
414	673	Valley National	70.0	50¼–16½	29¾	0.44	67.6	0.55	1.44	4.8	35.38	1.19
859	657	Varian Associates	–37.5	63⅜–20	20¼	0.98	20.7	0.45	0.26	1.3	19.16	0.95
805	802	Varity Corp	–20.7	6¾– 1⅛	2⅜	–0.32	def	0.25	none	0.0	0.89	0.37
142	38	VF	168.8	48¼– 9⅛	26⅝	2.44	10.9	0.75	0.72	2.7	12.20	0.46
NR	NR	Viacom	NA	28½–10	16½	NA	NA	0.88	none	0.0	NA	NA
NR	NR	Vista Chemical	NA	55⅛–17	32⅛	–0.13	def	0.84	0.20	0.6	6.76	0.21
NR	NR	Vons Cos	NA	13¾– 2⅛	6⅝	–0.09	def	0.03	none	0.0	–1.29	NE
209	475	Vulcan Materials	133.3	164 –53½	126	9.79	12.9	1.29	3.40	2.7	47.90	0.38
31	24	Wal-Mart Stores	333.0	42⅞– 5½	27	1.00	27.1	1.02	0.12	0.4	3.00	0.11
242	70	Walgreen	122.7	44⅞–12⅛	31¼	1.68	18.6	0.45	0.60	1.9	9.00	0.29
904	886	Wang Laboratories	–61.9	42½– 9⅝	11¼	–0.11	def	0.62	0.16	1.4	9.15	0.81
477	857	Warner Commun	56.7	39¼– 8½	26¼	1.75	15.0	1.03	0.40	1.5	7.08	0.27
172	407	Warner-Lambert	149.6	87½–25¾	70½	3.99	17.7	1.51	1.80	2.6	12.64	0.18
383	654	Washington Gas Light	78.4	30⅜–12⅛	22⅝	2.15	10.5	0.55	1.80	8.0	18.24	0.81
713	661	Washington National	2.1	37⅞–15⅝	24⅞	2.46	10.1	0.35	1.08	4.3	37.91	1.52
67	91	Washington Post	242.1	269 –54½	189	12.33	15.3	1.89	1.28	0.7	34.04	0.18
154	246	Waste Management	159.8	48½– 6⅞	34¾	2.06	16.8	2.98	0.36	1.0	7.35	0.21
711	161	Del E Webb	2.6	28¼– 8½	10	–6.37	def	0.29	none	0.0	19.00	1.90
113	193	Weis Markets	191.8	41⅝–11⅛	33½	1.79	18.7	1.37	0.44	1.3	8.89	0.27
98	127	Wells Fargo	203.2	60⅛–13	40¾	–0.06	def	0.49	1.56	3.8	36.11	0.89
753	338	Wendy's Intl	–8.8	17¾– 5	6	0.02	NM	0.56	0.24	4.0	4.45	0.74
639	473	West Point-Pepperell	22.5	36 –17¼	23½	2.38	9.9	0.36	1.20	5.1	23.12	0.98
NR	NR	Western Auto Supply	NA	17 – 5¾	8	0.60	13.3	0.12	none	0.0	0.02	0.00
925	964	Western Co No Amer	–84.5	12 – ¼	1⅜	–3.53	def	0.42	none	0.0	–1.92	NE
51	10	Western S&L	283.2	28 – 2⅜	9½	1.47	6.5	0.19	0.24	2.5	6.02	0.63
936	954	Western Union	–94.7	47⅞– 2	2⅜	–20.58	def	0.07	none	0.0	–11.26	NE
194	107	Westinghouse	137.9	75 –18⅝	46¼	4.96	9.3	0.64	1.72	3.7	21.13	0.46
666	879	Westmoreland Coal	15.5	27½–14¼	16¾	0.91	18.4	0.23	0.60	3.6	22.82	1.36
157	664	Westvaco	158.7	37½–10⅜	29¾	2.25	13.2	1.01	none	0.0	16.66	0.56
267	233	Wetterau	114.0	26½– 8⅛	19⅛	1.49	12.9	0.12	0.52	2.7	8.57	0.45
728	745	Weyerhaeuser	–1.0	60 –24¾	35⅝	2.97	12.0	0.73	1.50	4.2	22.92	0.64
889	940	Wheeling-Pittsburgh	–51.2	35⅝– 5⅜	7⅜	–32.12	def	0.04	none	0.0	–70.34	NE
631	317	Whirlpool	24.6	41½–18¼	27¼	2.50	10.9	0.49	1.10	4.0	18.21	0.67
738	833	Whittaker	–4.0	39¼–14½	24¼	3.51	6.9	0.44	1.00	4.1	24.17	1.00
894	924	Wickes Cos	–54.2	40⅝– 7¼	8⅞	2.90	3.1	0.08	none	0.0	21.20	2.39
492	476	Wicor	54.5	46 –18¾	30⅛	2.70	11.2	0.29	2.60	8.6	31.24	1.04
491	406	Willamette Inds	54.5	64 –14	35	4.29	8.2	0.65	1.08	3.1	20.54	0.59
573	854	Williams Cos	39.7	37⅞–16½	23¾	–4.74	def	0.47	1.40	5.9	26.94	1.13
766	631	Wilson Foods	–11.7	15 – 4¼	8½	0.40	21.3	0.06	none	0.0	6.96	0.82
508	374	Winn-Dixie Stores	52.7	59 –24½	41	2.77	14.8	0.19	1.86	4.5	17.93	0.44
294	256	Wisconsin Energy	105.5	32¼–11	23⅜	2.50	9.4	1.13	1.44	6.2	16.54	0.71
343	340	Wisconsin P&L	87.5	60¼–23	45	4.31	10.4	1.07	3.12	6.9	29.00	0.64
362	276	Wisconsin Public Svc	81.1	31½–10⅞	21½	2.09	10.3	0.86	1.54	7.2	14.94	0.69
197	217	Witco	137.3	47⅜–11½	29	2.89	10.0	0.47	1.28	4.4	20.78	0.72
135	94	FW Woolworth	174.4	59⅝–11⅜	35½	3.58	9.9	0.34	1.32	3.7	22.42	0.63
268	413	Worthington Inds	113.8	25⅞– 7⅞	16¾	1.03	16.3	0.84	0.40	2.4	6.30	0.38
25	134	Wm Wrigley Jr	349.1	64⅝–13⅛	60¼	3.20	18.8	1.67	1.04	1.7	13.86	0.23
884	846	Wyman-Gordon	–49.0	37¼–11¾	13	–1.06	def	0.72	0.80	6.2	14.44	1.11
479	721	Xerox	56.5	85 –33¼	58½	4.69	12.5	0.40	3.00	5.1	48.00	0.82
871	NR	Xidex	–42.7	26½– 6	6⅜	–1.12	def	0.46	none	0.0	9.34	1.46
137	84	Yellow Freight Sys	172.4	42½– 9⅛	25⅞	1.40	18.5	0.43	0.62	2.4	13.14	0.51
NR	NR	York International	NA	33⅞–13½	22⅝	NA	NA	0.22	none	0.0	20.57	0.91
922	957	Zapata	–81.5	24⅞– 2¼	3	–11.96	def	0.41	none	0.0	6.70	2.23
420	39	Zayre	68.5	43⅞– 9⅝	17⅝	2.76	6.4	0.17	0.40	2.3	11.24	0.64
732	595	Zenith Electronics	–2.6	38⅝–10	14	–0.97	def	0.16	none	0.0	18.49	1.32
597	674	Zurn Industries	33.7	30¾–10⅝	19⅜	1.53	12.7	0.57	0.68	3.5	14.68	0.76

Note: Except as indicated, price changes are from Dec. 31, 1982 to Nov. 18, 1987. NR: Not ranked due to merger, spinoff, new issue or conversion to stock company. Range is for period since such change. *Price change does not reflect the value of shares received in a spinoff. †Four-year price change. ††Three-year price change. ‡Does not include stock dividends given in another company as part of the dividend. NA: Not available. NE: Negative equity. NM: Not meaningful. def: Deficit.

Sources: Forbes; William O'Neil & Co.

WHO'S WHERE IN PROFITABILITY

Long-term profitability increased in 1987, but not by much. Latest-12-month return on equity was up, but not by much. Investors looked to the future and panicked.

By Steve Kichen

CONVENTIONAL INVESTMENT WISDOM has it that the best way to judge a company is by earnings growth. What Wall Street really pays attention to, however, is return on equity, for it measures how much a corporation earned on its shareholders' investment. By this yardstick, 1987 was a good, but far from exceptional, year.

The FORBES Industry Survey shows that median five-year average return on equity increased slightly, from 12.6% to 12.8%. Over the latest 12 months, profitability at the median company increased modestly, to 13.6%, vs. 13.0% in 1986. Look at it another way: Recent results will give the five-year average return on equity in our 1989 Industry Survey only a slight upward nudge. No wonder investors fled the market.

Of the 880 companies in the Industry Survey ranked on five-year return on equity, 526 show a decline in profitability over the latest 12 months, compared with their five-year averages. Look at fourth-ranked Coleco Industries. It had a hot toy a few years ago, the Cabbage Patch doll, so it shows a five-year profitability of 96.7%. However, as we warned last year *(Jan. 12, 1987)*, Coleco has fallen. The company now has negative equity. Other companies in for a potentially rough ride include Wendy's International, Emerson Radio, Emery Air Freight and Wang Laboratories.

Wall Street has a weakness for companies with historically high returns on equity. One example is Kellogg, which has posted a five-year stock price gain of 309%. Over the last five years the ready-to-eat-cereal giant has a return on equity of 37.2%—way above the all-industry median. And in the latest 12 months Kellogg topped its long-term performance with a 42.6% return.

Yet not even Kellogg's profitability can increase indefinitely. Highly profitable companies become targets for competitors, acquirers and government intervention. A little over a year ago, for instance, Subaru of America was the envy of the auto industry. But the competition has profited at Subaru's expense. While Subaru still sports a five-year average return on equity of 44.4%, it returned only 2.1% on equity during the past 12 months.

If the economy should weaken, heavy industry and fashion-driven and high-technology businesses are most vulnerable to declines in return on equity. For top-ranked companies like Reebok International, Chrysler, Sun Microsystems and Liz Claiborne this could mean trouble. ■

		Return on equity	
Company	rank	5-year average	latest 12 months
Reebok International	1	200 + %††	52.0%
CenTrust Savings Bank	2	200 + ††	def
Anchor Glass	3	166.6††	34.7
Coleco Industries	4	96.7	NE
Chrysler	5	71.3††	23.8
Highland Superstores	6	64.4	13.3
Seagate Technology	7	61.1	44.4
Columbia S&L Assoc	8	60.8	20.4
Lockheed	9	59.5	21.1
Sun Microsystems	10	59.2†	22.2
Liz Claiborne	11	55.8	44.8
Price Co	12	50.7	24.3
Limited	13	49.3	20.7
Western S&L	14	45.1	24.4
Mayfair Super Markets	15	44.6	47.7
Subaru of America	16	44.4	2.1
US Healthcare	17	43.1	21.7
Commerce Clearing	18	41.3	32.6
Home Depot	19	40.4	23.5
Student Loan	20	38.9%	35.7%
General Motors EDS	21	37.9	36.3
American Continental	22	37.7	21.4
ICH	23	37.2	18.0
Kellogg	24	37.2	42.6
General Cinema	25	36.5	22.6
Wal-Mart Stores	26	35.5	33.2
Dun & Bradstreet	27	35.4	30.8
Homestead Financial	28	35.0	24.0
First Executive	29	34.7	11.9
American Home Prod	30	34.4	35.0
Geico	31	34.1	37.0
Hasbro	32	33.9	9.7
Emerson Radio	33	33.9	def
Charter Medical	34	33.6	23.3
Telex	35	33.4	21.3
Comdisco	36	32.8	26.1
VF	37	32.5	20.0
Golden West Finl	38	32.3	25.8
Deluxe Check	39	32.1%	33.8%
Circuit City Stores	40	31.7	28.1
Dow Jones	41	31.0	27.4
UST Inc	42	31.0	56.9
Charming Shoppes	43	31.0	31.2
Marsh & McLennan	44	30.4	46.5
Bruno's	45	30.3	17.9
Intergraph	46	30.0	13.0
Big Bear	47	29.8	17.2
Tambrands	48	29.8	29.0
Brunswick	49	29.4	23.4
MDC Holdings	50	29.3	10.3
Rollins	51	29.0	51.6
Food Lion	52	28.8	28.9
Family Dollar Stores	53	28.5	17.6
EG&G	54	28.0	22.0
Tyson Foods	55	28.0	33.2
NIKE	56	28.0	13.8
Abbott Laboratories	57	27.8	34.0

NA: Not available. NE: Negative equity. def: Deficit. †Four-year average. ††Three-year average.

Company	rank	Return on equity 5-year average	 latest 12 months
Washington Post	58	27.7%	36.2%
Tandy	59	27.4	19.5
Cray Research	60	27.1	29.6
Progressive	61	27.1	29.8
Humana	62	27.0	20.2
Minstar	63	26.7	1.4
Philip Morris Cos	64	26.6	30.7
Manor Care	65	26.5	22.7
American Stores	66	25.9	13.7
SmithKline Beckman	67	25.8	52.0
First Boston	68	25.6	15.3
Fuqua Industries	69	25.6	17.5
Holly Corp	70	25.5	4.8
Ralston Purina	71	25.3	55.5
Gap	72	25.1	37.2
Kelly Services	73	24.9	30.8
Rorer Group	74	24.8	6.5
Morton Thiokol	75	24.8	16.3
Maxicare Health	76	24.5†	def
First Federal Mich	77	24.4††	20.8
Coca-Cola	78	24.2	29.9
Dean Foods	79	24.0	18.4
Maytag	80	23.9	28.5
IBM	81	23.9	13.3
Bristol-Myers	82	23.8	24.2
Southmark	83	23.8	11.8
Pulte Home	84	23.7	11.3
Shearson Lehman Bros	85	23.6†	NA
Apple Computer	86	23.5	29.8
Giant Food	87	23.4	16.7
Super Rite Foods	88	23.3	11.9
Financial Corp of Am	89	23.3	def
Times Mirror	90	23.3	23.8
Savannah Foods	91	23.3	11.3
Cardinal Distribution	92	23.3	11.3
Fleetwood Enterprise	93	23.1	14.5
Shoney's	94	23.1	17.9
H&R Block	95	23.0	22.6
Eli Lilly	96	23.0	22.5
Toys "R" Us	97	23.0	16.9
Melville	98	22.8	20.4
Fred Meyer	99	22.7†	14.1
First Union	100	22.7	18.4
Philips Industries	101	22.7	21.9
Browning-Ferris Inds	102	22.7	22.5
Walgreen	103	22.7	18.7
Rite Aid	104	22.6	28.9
Loews	105	22.6	17.8
Ford Motor	106	22.6	30.4
Herman Miller	107	22.5	17.2
Jefferson Smurfit	108	22.5	49.5
Equifax	109	22.5	24.4
New York Times	110	22.4	21.8
McDonald's	111	22.4	22.0
Super Valu Stores	112	22.3	16.8
Waste Management	113	22.2	28.1
Laidlaw Industries	114	22.2	14.9
United Stationers	115	22.1	12.6
Marion Laboratories	116	22.1	41.1
HJ Heinz	117	22.1	24.6
Nacco Industries	118	22.1	20.3
Ryland Group	119	22.1	31.9
Marriott	120	22.1	21.1
Compaq Computer	121	22.0††	42.6
McGraw-Hill	122	21.9	18.1
Reliance Group	123	21.9†%	47.1%
State Street Boston	124	21.8	19.8
Dillard Dept Stores	125	21.8	14.0
Merck	126	21.8	32.9
AG Edwards	127	21.8	19.7
Turner	128	21.7	def
Dibrell Brothers	129	21.7	def
Time Inc	130	21.7	16.3
Jostens	131	21.7	31.9
Gannett	132	21.5	21.0
E-Systems	133	21.5	15.0
Teledyne	134	21.4	15.2
ConAgra	135	21.4	21.1
Rohr Industries	136	21.4	8.6
Pfizer	137	21.3	20.3
RJR Nabisco	138	21.3	22.5
CityFed Financial	139	21.2	def
Rubbermaid	140	21.1	22.6
Himont	141	21.1††	39.4
Sequa	142	21.0	38.3
Lucky Stores	143	20.9	91.8
Chicago Pacific	144	20.9†	9.7
Brown-Forman	145	20.8	16.4
Farm Fresh	146	20.7	5.8
General Host	147	20.7	30.4
General Dynamics	148	20.7	1.2
Clorox	149	20.6	14.7
Rockwell Intl	150	20.6	20.8
Shaklee	151	20.6	8.6
Albertson's	152	20.5	18.5
Southwestern Pub Svc	153	20.5	14.7
Anheuser-Busch Cos	154	20.3	22.7
Bindley Western Inds	155	20.3	11.5
CoreStates Financial	156	20.2	16.3
Ames Dept Stores	157	20.2	6.1
Flowers Industries	158	20.1	16.3
Ogilvy Group	159	20.0	16.5
Pioneer Hi-Bred Intl	160	20.0	10.6
Worthington Inds	161	19.9	17.3
Intl Flavors & Frags	162	19.9	19.6
Capital Cities/ABC	163	19.8	12.0
Leggett & Platt	164	19.8	20.2
Emerson Electric	165	19.7	18.3
Sara Lee	166	19.7	19.6
Xidex	167	19.7	def
Salomon	168	19.7	8.6
Equitable Resources	169	19.7	8.9
Federal Express	170	19.6	def
Shaw Industries	171	19.6	19.8
Public Service Ind	172	19.6	96.0
Carolina Freight	173	19.6	9.7
Snap-on Tools	174	19.6	20.9
Nalco Chemical	175	19.5	18.1
James River Corp Va	176	19.5	11.2
PepsiCo	177	19.5	27.1
Ametek	178	19.5	17.4
Hannaford Bros	179	19.4	19.3
Fleet Financial	180	19.4	18.1
Weis Markets	181	19.4	20.1
Winn-Dixie Stores	182	19.3	15.8
Prime Computer	183	19.3	12.9
Pitney Bowes	184	19.3	34.5
General Electric	185	19.3	21.3
PaineWebber Group	186	19.3	12.5
PHH Group	187	19.3	14.3
CBS	188	19.3%	42.4%
American Family	189	19.3	25.5
Hechinger	190	19.3	17.1
Allied Bancshares	191	19.2	def
Fort Howard	192	19.2	12.4
CR Bard	193	19.2	22.3
Macmillan	194	19.1	21.5
Natl Convenience	195	19.1	def
First Wachovia	196	19.1	15.8
Interpublic Group	197	18.9	18.8
Squibb	198	18.9	56.6
Pep Boys	199	18.9	29.7
Dollar General	200	18.9	3.5
Petrie Stores	201	18.9	14.0
Tyco Laboratories	202	18.9	13.7
Standard Register	203	18.8	20.0
AON	204	18.8	19.4
AMP	205	18.8	19.9
Minn Mining & Mfg	206	18.8	19.9
Universal Leaf	207	18.8	19.4
Nordstrom	208	18.7	24.6
Sysco	209	18.7	14.3
Colt Industries	210	18.7	NE
Meredith	211	18.7	11.2
Midlantic Banks	212	18.7	14.8
American Express	213	18.7	18.3
Hon Industries	214	18.6	19.0
USG	215	18.6	41.3
Consolidated Papers	216	18.5	15.0
American Brands	217	18.5	9.2
Hershey Foods	218	18.5	19.8
Barnett Banks	219	18.5	16.5
Dover	220	18.4	16.5
PNC Financial	221	18.4	16.6
SCI Systems	222	18.3	13.4
SunTrust Banks	223	18.3†	17.2
Coachmen Industries	224	18.3	1.6
Raytheon	225	18.3	21.8
UtiliCorp United	226	18.2	13.2
National Service	227	18.2	16.4
Automatic Data	228	18.1	18.1
Curtice-Burns Foods	229	18.1	14.1
Genuine Parts	230	18.1	21.0
Masco	231	18.1	20.7
Loral	232	18.1	17.3
Delchamps	233	17.9	9.5
Kraft	234	17.9	25.1
Quaker Oats	235	17.8	19.8
RR Donnelley & Sons	236	17.8	25.9
Whirlpool	237	17.8	13.8
Sovran Financial	238	17.8	18.6
Fidelcor	239	17.8	12.5
Zayre	240	17.8	24.6
Lowe's Cos	241	17.7	10.8
New England Electric	242	17.7	15.6
Hillenbrand Inds	243	17.7	23.8
Sherwin-Williams	244	17.6	22.5
United Illuminating	245	17.6	16.4
American Greetings	246	17.6	10.7
Wm Wrigley Jr	247	17.6	23.1
Northeast Utilities	248	17.6	13.3
Exxon	249	17.6	15.0
Ryder System	250	17.6	15.5
American Bankers	251	17.5	def
Cullum Cos	252	17.5	14.9

NA: Not available. NE: Negative equity. def: Deficit. †Four-year average. ††Three-year average.

WHO'S WHERE IN PROFITABILITY

Company	rank	Return on equity	
		5-year average	latest 12 months
Cincinnati Financial	253	17.5%	15.1%
Crestar Financial	254	17.5	11.7
Hubbell	255	17.4	18.5
Hewlett-Packard	256	17.4	14.6
Payless Cashways	257	17.4	11.2
Hartford National	258	17.4	16.4
Farmers Group	259	17.4	16.9
Rose's Stores	260	17.4	13.5
Collins Foods Intl	261	17.3	15.3
Ball Corp	262	17.3	17.4
Johnson & Johnson	263	17.3	27.1
Bankers Trust NY	264	17.3	def
San Diego G&E	265	17.3	13.7
Citizens & Southern	266	17.2	14.8
Dayton-Hudson	267	17.2	14.2
Commonwealth En	268	17.2	11.2
Pillsbury	269	17.2	16.0
Procter & Gamble	270	17.2	6.9
Bergen Brunswig	271	17.2	8.9
Berkshire Hathaway	272	17.2	8.6
First Kentucky Natl	273	17.2	12.4
Banc One	274	17.1†	14.3
Stop & Shop Cos	275	17.1	8.5
JP Morgan & Co	276	17.1	4.4
Mercantile Stores	277	17.1	15.7
Republic New York	278	17.1	3.7
Avery International	279	17.1	19.0
Oxford Industries	280	17.1	8.2
Yellow Freight Sys	281	17.1	10.7
NCNB	282	17.1	14.9
Hilton Hotels	283	17.1	15.1
Roadway Services	284	17.0	8.8
Kimball International	285	17.0	17.1
First of America Bank	286	17.0	14.5
Pentair	287	17.0	9.8
National Medical	288	16.9	7.1
Reynolds & Reynolds	289	16.9	11.8
Sonoco Products	290	16.9	23.7
Laclede Gas	291	16.9	13.7
Signet Banking	292	16.8	5.4
United Artists	293	16.8	6.8
McCormick & Co	294	16.8	12.4
Northrop	295	16.8	7.6
Bank of New England	296	16.8	12.1
Wendy's Intl	297	16.8	0.4
Kansas Power & Light	298	16.8	15.0
Torchmark	299	16.7	23.5
American Intl Group	300	16.7	22.4
Bausch & Lomb	301	16.6	16.6
Upjohn	302	16.6	28.9
No States Power	303	16.6	15.4
Cooper Tire & Rubber	304	16.6	14.7
Westinghouse	305	16.5	23.5
Peoples Energy	306	16.5	11.8
Wisconsin P&L	307	16.5	14.9
Grumman	308	16.5	8.2
Kaman	309	16.5	16.6
Potomac Electric	310	16.5	18.4
Knight-Ridder	311	16.5	17.8
Bank of New York	312	16.4	3.1
So Calif Edison	313	16.4	13.4
Old Republic Intl	314	16.4	17.1
KeyCorp	315	16.3	15.4
Security Pacific	316	16.3	5.1
Gillette	317	16.3	13.0

Company	rank	Return on equity	
		5-year average	latest 12 months
Ipalco Enterprises	318	16.3%	22.3%
Central & South West	319	16.3	15.8
Longs Drug Stores	320	16.2	14.3
Boatmen's Bancshares	321	16.2	13.2
Florida Natl Banks	322	16.2	5.6
Square D	323	16.1	17.4
First Fidelity Bncp	324	16.1	10.7
Wisconsin Energy	325	16.1	15.1
Alexander & Baldwin	326	16.1	22.3
Capital Holding	327	16.1	19.2
Illinois Power	328	16.1	16.3
Union Electric	328	16.1	16.4
Ethyl	329	16.1	20.1
Wetterau	330	16.1	17.3
Southern Company	331	16.1	14.8
Fleming Cos	332	16.1	8.8
Echlin	333	16.0	10.0
Centel	334	16.0	11.6
Guilford Mills	335	16.0	13.5
Spiegel	336	16.0†	31.9
Iowa-Illinois G&E	337	16.0	15.0
Triangle Industries	338	16.0	13.5
Harcourt Brace	339	16.0	def
Martin Marietta	340	16.0	25.5
Southland	341	16.0	8.6
Boeing	342	15.9	11.0
Texas Utilities	343	15.8	14.9
Marshall & Ilsley	344	15.8	15.6
Norstar Bancorp	345	15.8	15.3
PacifiCorp	346	15.8	14.9
Campbell Soup	347	15.8	16.1
Hospital Corp	348	15.8	8.2
Super Food Services	349	15.8	16.3
Blount	350	15.7	4.7
Contel	351	15.7	13.5
Carlisle Cos	352	15.7	10.3
Citicorp	353	15.7	def
Kansas City P&L	354	15.6	9.4
Uslico	355	15.6	13.9
Circle K	356	15.6	15.1
Commonwealth Ed	357	15.6	15.5
Sterling Drug	358	15.6	19.7
Bank of Boston	359	15.6	7.5
Bairnco	360	15.6	14.5
Jamesway	361	15.6	11.4
Rohm & Haas	362	15.5	18.8
Wisconsin Public Svc	363	15.5	14.0
AmSouth Bancorp	364	15.5	16.3
Central Hudson G&E	365	15.5	12.5
Centerior Energy	366	15.5	14.0
BayBanks	367	15.4	16.0
Witco	368	15.4	13.9
WW Grainger	369	15.4	15.0
First Tennessee Natl	370	15.4	12.7
Ingles Markets	371	15.4††	15.6
Allegheny Power	372	15.4	15.3
Meridian Bancorp	373	15.4	15.5
Bowater	374	15.3	11.7
MCI Communications	375	15.3	def
Litton Industries	376	15.3	13.9
Questar	377	15.3	8.9
National City	378	15.3	13.9
May Dept Stores	379	15.2	16.2
United Jersey Banks	380	15.2	16.0
Delmarva Power & Lt	381	15.2	14.0

Company	rank	Return on equity	
		5-year average	latest 12 months
Baltimore G&E	382	15.2%	16.7%
Chemical New York	383	15.2	def
Ameritech	384	15.2††	17.0
Tribune	385	15.2	10.9
US Shoe	386	15.2	8.3
Pacific G&E	387	15.1	7.9
Emery Air Freight	388	15.1	def
NY State E&G	389	15.1	def
Holly Farms	390	15.1	18.5
Illinois Tool Works	391	15.1	26.0
Niagara Mohawk Pwr	392	15.1	4.8
Edison Bros Stores	393	15.1	5.2
Rochester G&E	394	15.1	6.1
Universal Foods	395	15.1	14.3
First American	396	15.0	13.4
Dexter	397	15.0	15.6
Kellwood	398	15.0	18.2
Cincinnati G&E	399	15.0	20.0
General Motors	400	15.0	10.4
American Natl Ins	401	15.0	14.2
Kimberly-Clark	402	15.0	19.8
Portland General	403	15.0	9.8
Vulcan Materials	404	14.9	20.4
Florida Progress	405	14.9	16.3
Merrill Lynch	406	14.9	20.3
Amoco	407	14.9	10.1
Southwest Airlines	408	14.8	4.0
BellSouth	409	14.8††	16.2
NCR	410	14.8	16.1
PPG Industries	411	14.7	21.5
American General	412	14.7	14.0
Consolidated Edison	413	14.7	14.2
Consol Natural Gas	414	14.7	10.2
Brooklyn Union Gas	415	14.7	14.1
Johnson Controls	416	14.7	10.8
Provident Life & Acc	417	14.6	13.1
Wang Laboratories	418	14.6	def
Coastal Corp	419	14.6	23.7
Morrison	420	14.6	14.1
Tracor	421	14.6	13.8
Figgie Intl	422	14.6	15.9
Huntington Bshs	423	14.6	11.9
Kay	424	14.5	39.3
USAir Group	425	14.5	15.3
Ohio Edison	426	14.5	15.3
Arkla	427	14.5	11.6
American Medical	428	14.5	12.3
Stanley Works	429	14.5	14.7
Stanadyne	430	14.5	13.6
Southwest Gas	431	14.5	13.2
Mapco	432	14.4	12.3
Schering-Plough	433	14.4	24.5
Intl Multifoods	434	14.4	17.9
Safeco	435	14.4	23.4
Oklahoma G&E	436	14.4	12.5
Nucor	437	14.4	11.8
Sealed Power	438	14.4	12.8
First Bank System	439	14.4	4.2
Borden	440	14.4	17.7
Strawbridge	441	14.4	13.2
Pinnacle West	442	14.4	12.3
Bell Atlantic	443	14.4††	14.8
Scana	444	14.3	16.0
Long Island Lighting	445	14.3	4.4
Alltel	446	14.3	12.4

NA: Not available. NE: Negative equity. def: Deficit. †Four-year average. ††Three-year average.

		Return on equity	
Company	rank	5-year average	latest 12 months
TECO Energy	447	14.3%	15.3%
Jerrico	448	14.3	11.9
HB Fuller	449	14.3	17.1
Wells Fargo	450	14.3	def
Computer Sciences	451	14.2	12.8
Dominion Bankshares	452	14.2	15.4
Smithfield Foods	453	14.2	20.2
Moore Corp	454	14.2	11.8
Gerber Products	455	14.2	7.3
Baxter International	456	14.2	8.2
CPC International	457	14.2	36.1
National Fuel Gas	458	14.1	10.5
CNA Financial	459	14.1	13.0
Iowa Resources	460	14.1	12.8
Pacific Telesis	461	14.1††	14.0
Duke Power	462	14.1	14.5
GAF	463	14.1	16.6
Philadelphia Elec	464	14.1	12.2
FMC	465	14.1	NE
Carolina Power & Lt	466	14.1	13.6
Alco Standard	467	14.0	17.1
Orange & Rockland	468	14.0	13.5
MNC Financial	469	14.0	16.8
Nynex	470	14.0††	14.0
Houston Industries	471	13.9	14.3
Monarch Capital	472	13.9	15.0
Southwestern Bell	473	13.8††	18.7
US West	474	13.8††	13.1
Ruddick	475	13.8	12.1
CILcorp	476	13.8	14.7
Getty Petroleum	477	13.8	11.3
K mart	478	13.8	20.6
Shawmut	479	13.8	6.9
FPL Group	480	13.8	13.2
Intermark	481	13.7	3.7
Tecumseh Products	482	13.7	12.5
Church's Fried	483	13.7	3.5
General Re	484	13.7	19.6
Cincinnati Bell	485	13.7	18.0
Std Commercial Tob	486	13.6	10.4
Washington Gas Light	487	13.6	11.8
Airborne Freight	488	13.6	10.4
Consol Freightways	489	13.6	11.5
Brown Group	490	13.6	12.3
McDonnell Douglas	491	13.6	11.0
Mercantile Bancorp	492	13.6	def
Household Intl	493	13.5	22.0
Durr-Fillauer	494	13.5	11.0
Holiday	495	13.5	21.7
CalFed	496	13.5††	14.1
American President	497	13.5††	12.2
So New England Tel	498	13.4	13.7
Southeast Banking	499	13.4	6.6
Quaker State Oil	500	13.4	def
Society	501	13.4	18.9
Public Svc Enter	502	13.4	9.6
Briggs & Stratton	503	13.4	8.0
Valley National	504	13.4	1.2
Arvin Industries	505	13.4	16.3
Gulf States Utils	506	13.3	8.5
Godfrey	507	13.3	23.5
Pittway	508	13.3	10.3
Centex	509	13.3	8.3
Boston Edison	510	13.3	13.3
Central Ill Pub Svc	511	13.3	11.4
Singer	512	13.3%	26.7%
Gt Am First Savings	513	13.3††	18.1
Public Service NM	514	13.2	10.0
Standard Shares	515	13.2	17.9
Media General	516	13.2	def
Emhart	517	13.2	14.1
Ecolab	518	13.2	52.5
Montana Power	519	13.2	7.2
AMR	520	13.2	7.9
Lubrizol	521	13.2	14.3
TRW	522	13.1	22.8
Detroit Edison	523	13.1	17.7
Ogden	524	13.1	54.8
Colgate-Palmolive	525	13.0	4.7
First Interstate Bncp	526	13.0	def
Parker-Hannifin	527	13.0	12.4
Gibraltar Financial	528	13.0	def
Louisville G&E	529	13.0	13.0
Mfrs Hanover	530	13.0	def
Manufacturers Natl	531	12.9	8.8
Irving Bank	532	12.9	0.9
Nash Finch	533	12.9	13.5
Middle South Utils	534	12.9	10.1
Commerce Bcshs	535	12.9	11.3
Engelhard	536	12.9	13.3
Federated Dept Strs	537	12.9	11.5
Kentucky Utilities	537	12.9	13.1
MCA	538	12.9	8.5
Hartmarx	539	12.8	9.9
Unocal	540	12.8	11.9
Arden Group	541	12.8	19.0
Scotty's	542	12.8	6.5
Atlantic Energy	543	12.8	13.3
Kroger	544	12.8	14.9
DPL	545	12.7	16.8
Bell & Howell	546	12.7	8.7
First RepublicBank	547	12.7	def
Perry Drug Stores	548	12.6	def
Univar	549	12.6	7.3
Sears, Roebuck	550	12.6	12.7
Esselte Business Sys	551	12.6	14.8
JC Penney	552	12.6	13.7
Nortek	553	12.6	8.5
US Bancorp	554	12.5	13.4
Kemper	555	12.5	18.7
NBD Bancorp	556	12.5	11.7
Munford	557	12.5	def
Public Service Colo	558	12.5	17.8
Perkin-Elmer	559	12.5	def
McKesson	560	12.4	11.7
Duquesne Light	561	12.4	9.1
Rykoff-Sexton	562	12.4	10.4
Trinova	563	12.4	def
First Wisconsin	564	12.4	def
Armstrong World Inds	565	12.4	17.8
Kansas Gas & Elec	566	12.4	9.4
Carteret Bancorp	567	12.4††	13.2
Raychem	568	12.3	16.3
Home Federal S&L	569	12.3††	12.3
Dominion Resources	570	12.3	15.4
Jefferson-Pilot	571	12.3	12.7
Beverly Enterprises	572	12.3	def
Grow Group	573	12.3	def
Tandem Computers	574	12.2	17.7
Riggs National	575	12.2	3.6
Pennsylvania P&L	576	12.2%	12.9%
Phillips-Van Heusen	577	12.2	26.4
George A Hormel	578	12.2	12.3
GTE	579	12.2	13.3
Chase Manhattan	580	12.2	def
Mellon Bank	581	12.2	def
Federal-Mogul	582	12.1	1.7
American Electric	583	12.1	14.1
Morrison-Knudsen	584	12.1	def
Warner-Lambert	585	12.1	31.6
Oneok	586	12.1	5.5
HF Ahmanson	587	12.1	14.0
Midwest Energy	588	12.0	12.2
First Maryland Bncp	589	12.0	13.4
Union Texas	590	12.0††	NE
Dennison Mfg	591	12.0	15.6
Hercules	592	12.0	46.4
Hanover Insurance	593	12.0	30.0
Foremost Corp of Amer	594	11.9	15.9
Wicor	595	11.9	8.6
Becton Dickinson	596	11.9	17.4
TW Services	597	11.9†	6.0
Lincoln National	598	11.9	14.0
Advanced Micro	599	11.9	def
Diversified Energies	600	11.8	10.1
Bemis	601	11.8	14.2
Crown Cork & Seal	602	11.8	14.5
Sundstrand	603	11.8	5.5
Greyhound	604	11.7	15.9
Chubb	605	11.7	20.4
Avon Products	606	11.7	22.8
Transco Energy	607	11.6	def
American Building	608	11.6	5.8
Phillips Petroleum	609	11.6	def
Integrated Resources	610	11.6	10.8
Puget Sound P&L	611	11.6	10.4
Seagram	612	11.5	11.7
Temple-Inland	613	11.5††	14.4
MCorp	614	11.5	def
DynCorp	615	11.5	11.1
Comerica	616	11.4	12.2
Federal Paper Board	617	11.4	19.1
Pennzoil	618	11.3	7.6
Motorola	619	11.3	9.7
Digital Equipment	620	11.3	19.5
Zurn Industries	621	11.3	10.4
Utah Power & Light	622	11.3	9.0
Primark	623	11.2	11.2
Ohio Casualty	624	11.2	18.7
Union Camp	625	11.1	15.5
Textron	626	11.1	18.5
Scott Paper	627	11.1	15.5
Tektronix	628	11.1	4.5
United Banks of Colo	629	11.0	def
Norfolk Southern	630	11.0	8.5
United Technologies	631	10.9	4.5
Freeport-McMoRan	632	10.9	32.4
Avnet	633	10.9	4.4
Roper Corp	634	10.9	26.7
Archer-Daniels	635	10.9	12.7
Pacific Lighting	636	10.9	14.5
Westvaco	637	10.9	13.5
Life Investors	638	10.9	9.1
Premier Bancorp	639	10.8	def
Marsh Supermarkets	640	10.8	14.8

NA: Not available. NE: Negative equity. def: Deficit. †Four-year average. ††Three-year average.

WHO'S WHERE IN PROFITABILITY

		Return on equity	
Company	rank	5-year average	latest 12 months
Mitchell Energy	641	10.8%	1.0%
Atlanta Gas Light	642	10.8	12.2
Dana	643	10.8	11.9
Hawaiian Electric	644	10.7	12.0
Marine Midland Banks	645	10.7	def
West Point-Pepperell	646	10.7	10.3
AmeriTrust	647	10.7	3.5
Enron	648	10.7	def
United Telecom	649	10.7	def
Tyler	650	10.7	6.7
Travelers	651	10.6	10.7
EI du Pont de Nemours	652	10.6	12.7
American Cyanamid	653	10.6	18.6
Insilco	654	10.6	10.4
Foster Wheeler	655	10.6	5.7
Willamette Inds	656	10.6	20.9
Gt Western Financial	657	10.6	16.0
Harsco	658	10.6	13.0
Transamerica	659	10.5	18.4
KN Energy	660	10.5	0.1
American Standard	661	10.5	14.6
Continental Corp	662	10.4	14.1
Air Prods & Chems	663	10.4	14.7
Walt Disney	664	10.4	29.8
DeSoto	665	10.4	11.9
Culbro	666	10.4	26.0
General Signal	667	10.3	7.2
Paccar	668	10.3	14.1
Jim Walter	669	10.3	14.7
Coleman	670	10.3	10.4
Texas Industries	671	10.3	def
Central Maine Power	672	10.2	9.0
Guy F Atkinson	673	10.1	5.0
Entex	674	10.0	def
Carson Pirie Scott	675	10.0	def
Great A&P Tea	676	10.0	11.9
Arkansas Best	677	10.0	6.3
Harris Corp	678	9.9	9.3
Liquid Air	679	9.9	10.4
Outboard Marine	680	9.8	11.1
Atlantic Richfield	681	9.8	18.0
Service Merchandise	682	9.8	def
Chevron	683	9.8	4.5
Pacific Resources	684	9.7	1.5
Longview Fibre	685	9.7	26.5
Goodyear	686	9.7	28.3
Sun Company	687	9.7	6.4
Eaton	688	9.6	17.9
EF Hutton Group	689	9.6	def
Eastman Kodak	690	9.5	11.0
First Chicago	691	9.5	def
Schlumberger	692	9.5	def
Owens-Corning	693	9.5	NE
Corning Glass Works	694	9.5	11.4
Del E Webb	695	9.4	def
Kansas City Southern	696	9.4	def
RLC	697	9.3	3.9
Gt Northern Nekoosa	698	9.3	20.3
Mobil	699	9.3	7.1
Varian Associates	700	9.2	5.1
Xerox	701	9.2	9.8
Business Men's Assur	702	9.1	24.5
Norwest	703	9.1	def
Cooper Industries	704	9.1	11.4
Whittaker	705	9.1	14.5

		Return on equity	
Company	rank	5-year average	latest 12 months
Central Steel & Wire	706	9.0%	8.9%
Pueblo International	707	9.0	11.9
Wyman-Gordon	708	8.9	def
Lorimar-Telepictures	709	8.9	def
Interco	710	8.8	9.4
Tele-Communications	711	8.7	7.6
Equitable of Iowa	712	8.7	7.3
M/A-Com	713	8.6	def
Northern Trust	714	8.6	def
Seaway Food Town	715	8.5	9.9
USLife	716	8.5	9.4
ITT	717	8.5	11.0
Commercial Metals	718	8.5	6.9
Centerre Bancorp	719	8.4	5.3
Ferro	720	8.3	16.6
No'western Natl Life	721	8.3	12.2
Delta Air Lines	722	8.3	16.0
Aetna Life & Cas	723	8.3	15.8
Texas Eastern	724	8.3	7.2
DWG	725	8.3	25.4
Monsanto	726	8.2	10.9
California First Bk	727	8.2	11.6
CertainTeed	728	8.1	11.9
Constar Intl	729	8.1	9.3
Gordon Jewelry	730	8.0	def
Dow Chemical	731	8.0	20.4
Carpenter Technology	732	8.0	1.8
Burlington Northern	733	8.0	9.5
USF&G	734	8.0	12.2
Cabot	735	8.0	6.7
Springs Industries	736	7.9	15.2
First Security	737	7.7	3.4
Interlake	738	7.6	16.4
Gulf & Western	739	7.5	15.4
Omnicom Group	740	7.5††	15.0
Tenneco	741	7.5	def
Alberto-Culver	742	7.4	15.3
Caesars World	743	7.3	14.5
Amdahl	744	7.3	22.8
Chesapeake	745	7.3	10.4
St Paul Cos	746	7.2	20.9
Santa Fe Southern	747	7.2	0.2
Potlatch	748	7.2	18.3
American Tel & Tel	749	7.2††	2.4
Union Carbide	750	7.2	17.5
Washington National	751	7.2	6.5
Lone Star Industries	752	7.1	14.9
Louisiana Land	753	7.0	def
CSX	754	7.0	8.2
Bearings	755	6.9	5.5
Barnes Group	756	6.9	13.1
CBI Industries	757	6.9	2.5
Texaco	758	6.9	2.9
Fieldcrest Cannon	759	6.8	6.9
Adolph Coors	760	6.8	4.9
CalMat	761	6.8	20.0
Ashland Oil	762	6.7	14.3
Skyline	763	6.7	9.7
Penn Central	764	6.7	5.7
Atlantic Financial	765	6.7††	1.9
Columbia Gas System	766	6.7	7.0
General Public Utils	767	6.6	14.0
FW Woolworth	768	6.6	16.0
Murphy Oil	769	6.6	def
Unisys	770	6.5	def

		Return on equity	
Company	rank	5-year average	latest 12 months
Kaufman & Broad	771	6.5%	18.8%
Primerica	772	6.5	18.9
National Distillers	773	6.4	22.9
Public Service NH	774	6.4	11.6
Georgia-Pacific	775	6.4	16.9
Brockway Inc (NY)	776	6.3	15.4
GenCorp	777	6.3	30.0
Cummins Engine	778	6.3	2.1
NWA	779	6.2	8.7
Alexander's	780	6.2	1.6
Stone Container	781	6.2	30.9
Honeywell	782	6.1	def
Weyerhaeuser	783	6.1	13.0
No Indiana Pub Svc	784	6.1	4.7
Occidental Petroleum	785	6.0	3.3
Pennwalt	786	6.0	11.3
Sonat	787	5.9	def
Armtek	788	5.9	11.1
Data General	789	5.9	def
Farm House Foods	790	5.7	def
Union Pacific	791	5.6	15.0
Talley Industries	792	5.6	def
Toro	793	5.6	24.0
Combustion Eng	794	5.6	6.6
Amoskeag	795	5.5	5.8
Mead	796	5.5	13.6
Michigan National	797	5.5	14.3
Intel	798	5.5	6.6
Foodarama Supermkts	799	5.4	7.9
International Paper	800	5.2	13.5
Mohasco	801	5.2	5.2
Polaroid	802	5.2	15.6
Di Giorgio	803	5.2	def
Borman's	804	5.2	16.4
Fischbach	805	5.2	def
Nashua	806	5.2	13.3
Enserch	807	5.2	2.6
Allied-Signal	808	5.1	16.1
Craig	809	5.0	18.9
TIE/Communications	810	4.9	def
Computervision	811	4.8	8.1
Allegis	812	4.8	4.2
Staley Continental	813	4.8	6.4
Handy & Harman	814	4.8	def
Great American Mgmt	815	4.8	0.1
Boise Cascade	816	4.6	10.1
Cigna	817	4.6	16.0
American Maize	818	4.6	10.2
IC Industries	819	4.5	12.2
Eastern Gas & Fuel	820	4.5	3.4
American Petrofina	821	4.4	11.5
Intl Minerals & Chem	822	4.3	3.6
Champion Spark Plug	823	4.3	5.9
Texas Instruments	824	4.3	16.2
Zenith Electronics	825	4.3	def
Warner Comm	826	4.3	24.7
Best Products	827	4.2	def
Alcoa	828	4.0	7.0
CNW	829	4.0	10.9
United Brands	830	3.9	13.5
JP Stevens	831	3.9	10.8
Louisiana-Pacific	832	3.8	11.7
Champion Intl	833	3.8	14.0
Commercial Credit	834	3.8	2.0
Olin	835	3.7	9.9

NA: Not available. NE: Negative equity. def: Deficit. †Four-year average. ††Three-year average.

		Return on equity	
Company	rank	5-year average	latest 12 months
Perini	836	3.5%	8.5%
Meritor Financial	837	3.5††	def
Texas American Bcsh	838	3.5	def
Ingersoll-Rand	839	3.4	15.4
Gelco	840	3.4	def
Firestone	841	3.3	6.4
Halliburton	842	3.3	0.9
Crane	843	3.2	28.0
Kerr-McGee	844	3.0	5.7
AO Smith	845	3.0	7.9
Earle M Jorgensen	846	3.0	def
Butler Manufacturing	847	2.8	2.5
Ross Stores	848	2.8†	def
CMS Energy	849	2.8	6.9
Fireman's Fund	850	2.7	22.6
UGI	851	2.7	11.3
Bally Manufacturing	852	2.6	10.2
Trinity Industries	853	2.5	2.3
Newmont Mining	854	2.5	15.8
WR Grace	855	2.4	def
Todd Shipyards	856	2.2	NA
Thorn Apple Valley	857	2.1	def
Allen Group	858	2.0	def
Manhattan Industries	859	2.0	def
Alcan Aluminium	860	2.0	10.7
DeKalb	861	1.8	5.3
General Ref[illegible]tories	862	1.7	48.2
McDermott In[illegible]	863	1.7	def
Eagle-Picher Inds	864	1.7	21.9
Fedl Natl Mortgage	865	1.5	13.8
Valero Energy	866	1.5	1.9
Stewart-Warner	867	1.3	def
Foxboro	868	1.3	def
PS Group	869	1.0	22.5
IU International	870	0.8	9.5
Dresser Industries	871	0.8	def
Panhandle Eastern	872	0.7	def
Westmoreland Coal	873	0.7	4.0
Williams Cos	874	0.6	def
Beneficial Corp	875	0.6	def
Soo Line	876	0.4	def
Ramada	877	0.3	3.4
Amerada Hess	878	0.3	11.9
Cincinnati Milacron	879	0.1	4.1
Cameron Iron Works	880	0.1	def
National-Standard	881	def	def
General Instrument	882	def	def
Deere	883	def	def
Lukens	884	def	11.1
BankAmerica	885	def	def
Manville	886	def	13.0
Alexander & Alexander	887	def†	18.5
Lafarge	888	def	13.3
Genesco	889	def	24.0
Resorts Intl	890	def	def
Nicor	891	def	14.4
Black & Decker	892	def	9.0
Koppers	893	def	14.5
Timken	894	def	def
Norton	895	def	def
Crown Central Pet	896	def	def
United Financial	897	def	def
GATX	898	def	16.1
Natl Semiconductor	899	def	def
Fisher Foods	900	def	def
Reynolds Metals	901	def	15.5%
HH Robertson	902	def	def
Imperial Corp of Am	903	def	24.1
Gould	904	def	2.7
Pittston	905	def	2.4
Caterpillar	906	def	1.0
First City Bancorp	907	def	def
Stewart & Stevenson	908	def	7.9
Moore McCormack	909	def	6.5
Datapoint	910	def	def
Mack Trucks	911	def	4.2
First Pennsylvania	912	def	def
Amfac	913	def	def
Interstate Bakeries	914	def	12.1
Dravo	915	def	def
Ampco-Pittsburgh	916	def	def
Orion Capital	917	def	def
BF Goodrich	918	def	9.1
US Home	919	def	1.8
Florida Federal S&L	920	def††	def
Fluor	921	def	def
Control Data	922	def	def
Zapata	923	def	def
Phelps Dodge	92[illegible]	def	6.8
Kerr Glass Mfg	925	def	3.8
KaiserTech	926	def	def
Inland Steel Inds	927	def	9.4
USX	928	def	def
Arrow Electronics	929	def	def
Continental Illinois	930	def	def
Copperweld	931	def	1.3
Tesoro Petroleum	932	def	def
Northwestern Steel	933	def	3.4
Asarco	934	def	19.1
Inco	935	def	1.8
Clark Equipment	936	def	def
NL Industries	937	def	def
National Intergroup	938	def	def
UNC	939	def	11.3
Baker Hughes	940	def†	def
Harnischfeger Inds	941	def	1.5
LB Foster	942	def	def
Fairchild Industries	943	def	def
United Merchants	944	def	def
Businessland	945	def†	11.8
AMAX	946	def	20.2
Mattel	947	def†	def
Wilson Foods	948	def	7.8
PACE Membership	949	def†	0.7
Armco	950	def	23.0
Inspiration Resource	951	def	def
Trans World Airlines	952	def††	121.1
Bethlehem Steel	953	def	15.7
American Hoist	954	def	def
AH Robins	955	def††	176.4
Smith International	956	def	def
Western Co No Amer	957	def	NE
Allegheny Intl	958	def	def
Pan Am	959	def	def
Ideal Basic Inds	960	def†	def
Wheeling-Pittsburgh	961	def†	NE
Charter	962	def††	119.8
Western Union	963	def	NE
Gearhart Industries	964	def	NE
Savin	965	def†	NE
Grossman's	966	def†	44.4%
Pullman	967	def††	9.5
Navistar Intl	968	def††	NE
LTV	969	def	[illegible]
Texas Air	970	def††	def
Allis-Chalmers	971	def†	NE
Wickes Cos	972	def††	13.7
Storage Technology	973	def†	NE
Tiger International	974	def†	NE
Consolidated Rail	975	NE	NE
AM International		NA	def
Alco Health Services		NA	14.1
Allegheny Ludlum		NA	NA
AmeriFirst Federal		NA	NA
Anchor Savings Bank		NA	NA
Aristech Chemical		NA	19.3
Bear Stearns Cos		NA	18.6
Benj Franklin S&L		NA	NA
Boys Markets		NA	73.6
Carter Hawley Hale		NA	NA
Castle & Cooke		NA	4.2
Child World		NA	5.4
Coast S&L Assoc		NA	13.5
Coca-Cola Enterprises		NA	4.5
Costco Wholesale		NA	4.1
CrossLand Savings FSB		NA	7.3
Cyprus Minerals		NA	2.5
Diamond Sham R&M		NA	16.6
Dime Savings Bank		NA	NA
E-II Holdings		NA	NA
Edgcomb		NA	def
Empire of America		NA	def
Foodmaker		NA	22.1
Fruit of the Loom		NA	NE
GM Hughes Electronics		NA	3.1
General Mills		NA	34.1
Georgia Gulf		NA	55.5
GlenFed		NA	15.4
Goldome		NA	NA
Henley Group		NA	def
Hills Dept Stores		NA	NE
Home Group		NA	19.5
Home Shopping		NA	58.9
IBP		NA	NA
Leslie Fay Cos		NA	18.5
Masco Industries		NA	21.3
Maxus Energy		NA	def
Morgan Stanley		NA	32.0
Neiman-Marcus Group		NA	NA
Pay'n Save		NA	def
Premark Intl		NA	def
SSMC		NA	4.5
Standard Fedl Bank		NA	NA
TCF Banking & Savings		NA	2.1
Talman Home Fedl		NA	NA
Tosco		NA	def
Turner Broadcasting		NA	NE
UNUM Corp		NA	NA
Varity Corp		NA	def
Viacom		NA	NA
Vista Chemical		NA	def
Vons Cos		NA	NE
Western Auto Supply		NA	500.0+
York International		NA	NA

NA: Not available. NE: Negative equity. def: Deficit. †Four-year average. ††Three-year average.

WHO'S WHERE IN THE INDUSTRY GROUPS

Five-year averages describe past performance. Latest-12-month results show where an industry may be headed.

By Steve Kichen

WALL STREET'S COLLAPSE effectively capped lackluster trends in corporate profitability. For 14 out of 31 major industry groups, latest-12-month returns on equity lagged five-year results. And 50 out of 91 subindustry groups fell behind their long-term records.

Retailing, telecommunications, aerospace and defense, natural gas, and banks and thrifts could be in for a sharp drop in long-term profitability rankings, because their recent performances are way below their long-term trends. This means that many industry groups are likely to shift positions next year. Beverages and tobacco led the group, based on a five-year profitability of 20.5%. But over the latest 12 months the top industry group would be health, with a 20% return on equity. Based on latest-12-month results the insurance industry would move up to 7th place, versus the 17th-place slot it holds in long-term performance. By the same measure, paper companies would move from the 21st position in long-term performance to 9th for the last 12 months.

For the fourth year in a row, beverages and tobacco remains the most profitable industry. Within this group, the soft-drink subindustry, with a 24.2% return, is much more profitable than alcoholic beverages, a group in which five-year average return on equity fell from 20.3% to 15.9%, and latest-12-month profitability is down to 14.1%. Weakness in this subindustry could eventually push beverages and tobacco down a couple of notches. While the metals industry remains mired in last place, its return to profitability in the latest 12 months is an encouraging sign of better prospects. ■

Yardsticks of management performance	**Profitability**					**Growth**					
	Return on equity					Sales			Earnings per share		
Industry	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months
Beverages and tobacco	1	20.5%	19.4%	32.2%	7.4%	11	8.2%	8.3%	1	12.9%	12.8%
Alcoholic beverages		15.9	14.1	30.0	7.8		11.5	7.0		7.1	8.9
Soft drinks		24.2	24.8	100.8	8.0		6.3	14.5		14.1	28.3
Tobacco		21.3	19.4	27.7	5.8		12.9	8.3		9.5	11.3
Communications media	2	19.1	17.8	49.8	5.9	5	11.5	9.8	2	12.9	9.5
Publishing		19.8	18.1	47.3	7.4		11.2	9.7		13.9	12.3
Broadcasting		18.7	7.9	84.4	4.1		16.6	15.9		12.3	–24.1
Media services		19.5	17.6	12.8	4.6		12.8	11.7		14.9	24.0
Financial services	3	18.7	17.2	71.4	4.7	1	17.1	10.1	8	9.5	5.9
Financial companies		13.5	17.2	171.3	4.7		12.2	4.5		9.8	20.1
Brokerage houses		19.7	17.0	62.6	5.4		28.4	15.0		8.6	–0.5
Commodity traders		14.5	19.4	27.7	1.8		–0.3	–1.4		9.5	–28.8
Industrial and office services	4	18.1	15.2	29.2	4.3	4	11.8	12.9	3	12.2	6.8
Industrial services		16.4	19.5	31.8	5.9		7.0	6.4		7.9	16.0
Office products, services		18.1	14.5	29.2	3.9		12.5	13.6		13.3	4.4

def: Deficit. NE: Negative equity. NM: Not meaningful. For further explanation, see page 65.

INDUSTRY MEDIANS

Yardsticks of management performance	Profitability					Growth					
	Return on equity					Sales			Earnings per share		
Industry	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months
Health	**5**	**17.5%**	**20.0%**	**36.0%**	**7.7%**	**8**	**10.8%**	**12.0%**	**7**	**10.0%**	**14.2%**
Drugs		18.9	23.4	27.5	9.2		6.7	12.0		10.0	19.4
Medical supplies		16.9	17.4	32.0	9.0		9.9	14.8		9.3	16.0
Health care services		24.5	12.3	170.4	4.1		27.4	8.9		11.0	10.3
Electrical equipment	**6**	**16.3**	**16.9**	**13.0**	**6.9**	**23**	**5.6**	**4.6**	**12**	**7.5**	**15.6**
Food processors	**7**	**16.3**	**16.0**	**52.7**	**3.5**	**18**	**6.3**	**10.2**	**11**	**8.0**	**16.8**
Food commodities		14.2	11.3	49.4	3.8		2.7	6.4		–3.1	13.7
Meatpacking		12.2	13.5	69.5	1.2		5.0	13.2		8.3	13.0
Branded foods		17.8	19.0	49.9	4.3		7.0	10.2		10.8	20.0
Retailing	**8**	**16.1**	**14.0**	**52.5**	**2.7**	**3**	**13.6**	**10.1**	**5**	**11.8**	**14.6**
Apparel		18.7	20.7	27.2	4.7		14.6	10.2		18.4	22.4
Catalog showrooms		9.8	def	157.9	def		19.5	6.6		NM	NM
Department stores		12.6	12.7	49.0	2.9		9.6	6.9		9.3	5.2
Discount and variety		17.3	14.1	55.2	2.2		15.0	9.5		14.5	6.7
Drugs		19.4	14.3	70.2	2.4		13.0	12.4		9.5	6.9
Jewelry		14.9	12.1	45.6	1.3		5.9	–9.3		–3.5	NM
Shoes		11.2	14.1	27.4	3.8		0.4	9.9		–2.6	14.2
Miscellaneous		17.6	16.9	53.8	2.6		22.1	18.5		16.0	47.1
Food distributors	**9**	**16.1**	**14.9**	**74.0**	**1.5**	**10**	**9.4**	**7.7**	**10**	**8.2**	**8.9**
Wholesale and supply		14.6	13.5	74.0	0.9		14.5	7.9		4.1	13.5
Major supermarkets		19.3	14.9	70.9	1.1		9.0	5.6		12.6	15.4
Regional supermarkets		16.5	15.3	76.1	1.4		7.7	11.0		12.6	11.2
Convenience stores		15.8	2.2	114.5	0.7		12.7	–4.9		–3.7	NM
Restaurant chains		17.0	15.6	58.5	3.8		10.5	10.5		7.2	11.0
Electric utilities	**10**	**14.4**	**13.6**	**96.4**	**12.3**	**21**	**5.8**	**0.4**	**16**	**5.3**	**1.9**
Northeast		15.1	13.3	91.7	11.2		4.3	0.0		5.6	–5.0
North central		15.5	14.9	104.8	13.0		5.5	–0.9		5.0	5.8
Southeast		14.1	14.6	89.5	12.3		8.4	2.3		6.4	7.6
South central		14.4	14.3	96.3	12.7		5.8	–2.2		4.7	2.4
Western		13.8	11.2	95.5	10.7		6.5	1.5		0.1	–17.1
Banks and thrifts	**11**	**14.4**	**9.8**	**43.6**	**5.1**	**6**	**11.4**	**4.2**	**6**	**11.1**	**–24.6**
Multinational		13.0	def	83.9	def		–0.3	5.0		5.9	NM
Northeast		16.4	15.3	58.2	9.1		12.2	15.5		10.1	–5.1
Mid-Atlantic		15.7	14.1	35.3	8.6		11.4	9.3		12.0	–10.8
North central		12.9	11.7	27.8	7.8		8.0	3.6		9.3	–12.8
Southeast		17.1	14.9	29.7	8.4		14.8	10.9		13.8	–3.2
South central		11.1	def	55.3	def		9.2	–12.6		NM	NM
Western		12.8	2.3	57.6	1.3		4.4	3.0		6.3	–75.9
Thrift institutions		13.1	13.2	94.7	5.0		21.8	2.3		38.4	–22.7
Telecommunications	**12**	**13.8**	**13.2**	**63.0**	**8.4**	**22**	**5.8**	**1.9**	**19**	**2.8**	**3.4**
Carriers		14.1	13.6	68.0	10.0		5.8	2.2		3.0	3.4
Manufacturing		7.7	def	10.0	def		9.0	–21.4		NM	NM
Aerospace and defense	**13**	**13.6**	**12.8**	**28.0**	**3.9**	**17**	**6.5**	**1.8**	**13**	**6.1**	**11.6**
Consumer products	**14**	**13.4**	**14.7**	**39.5**	**3.9**	**12**	**7.7**	**12.6**	**14**	**5.8**	**13.9**
Appliances		13.4	13.8	43.2	3.3		8.2	8.3		4.4	1.9
Home furnishings		8.8	10.6	40.4	3.5		8.8	13.0		8.7	15.1
Household products		16.4	15.3	31.0	7.8		3.4	7.0		4.3	22.2
Personal products		15.7	17.6	35.5	4.5		6.2	12.7		4.3	18.6
Natural gas	**15**	**12.9**	**10.2**	**85.5**	**5.3**	**26**	**3.8**	**–6.5**	**24**	**–0.5**	**0.1**
Producers & pipeliners		7.5	1.0	110.1	1.0		0.2	–18.5		NM	–81.8
Distributors		13.8	12.2	84.7	7.2		4.7	–4.7		5.7	1.7
Integrated		13.1	8.9	77.3	4.6		–2.1	–12.2		–10.1	–13.9
Apparel, shoes and textiles	**16**	**12.8**	**13.5**	**35.5**	**3.5**	**15**	**7.0**	**9.3**	**26**	**–3.6**	**15.1**
Apparel		12.5	12.0	37.7	4.1		6.6	6.7		–2.4	13.6
Shoes		15.2	13.8	27.2	4.1		13.6	9.0		–5.7	25.9
Textiles		8.1	12.1	54.4	3.4		7.9	6.8		–12.3	27.5

def: Deficit. NE: Negative equity. NM: Not meaningful. For further explanation, see page 65.

INDUSTRY MEDIANS

Yardsticks of management performance	Profitability					Growth					
	Return on equity					Sales			Earnings per share		
Industry	rank	5-year average	latest 12 months	debt as % of equity	net profit margin	rank	5-year average	latest 12 months	rank	5-year average	latest 12 months
Insurance	17	12.6%	15.9%	17.0%	6.5%	2	14.4%	12.5%	4	12.0%	16.9%
Brokers		14.9	32.5	19.1	9.9		12.6	14.9		NM	500.0+
Diversified		14.3	15.5	16.4	6.6		12.7	12.5		10.8	18.1
Life and health		12.3	14.2	16.7	5.7		17.4	14.0		20.4	5.0
Property and casualty		11.4	19.5	17.7	8.4		14.2	13.6		1.3	28.8
Packaging	18	11.6	14.3	48.6	4.3	13	7.7	13.7	9	8.8	53.7
Computers and electronics	19	11.3	11.4	26.4	4.2	7	11.2	13.0	20	1.1	19.0
Computers		14.8	13.0	44.0	6.2		14.6	14.6		5.7	18.5
Electronic equipment		10.5	6.9	23.3	3.5		5.0	8.4		−2.2	17.3
Semiconductors		4.9	0.3	24.4	0.9		9.5	16.6		NM	NM
Conglomerates	20	11.1	14.7	52.1	5.6	27	3.8	0.5	22	0.3	20.1
Paper	21	10.9	15.0	50.0	6.2	19	6.1	16.0	15	5.7	0.3
Chemicals	22	10.6	14.4	41.4	5.3	28	2.1	8.4	27	−7.3	38.8
Diversified		10.6	17.5	38.8	5.8		1.1	7.7		−8.2	57.3
Specialized		10.7	14.5	43.8	4.8		3.4	8.4		−6.5	29.3
Automotive	23	10.5	10.8	39.1	3.4	14	7.5	6.7	17	3.5	23.6
Automobiles and trucks		11.7	10.4	23.4	3.1		11.1	7.3		17.5	1.9
Automotive parts		10.8	11.3	45.6	3.4		6.6	7.3		−20.1	19.8
Recreational vehicles		18.3	9.7	0.0	3.4		11.0	6.1		10.6	16.8
Tire and rubber		5.9	11.1	42.2	3.6		0.9	2.7		NM	500.0+
Leisure and recreation	24	10.4	11.0	59.9	4.8	20	6.0	13.6	21	1.0	5.1
Entertainment		10.4	12.8	95.0	6.1		10.8	16.9		NM	15.3
Hotels and gaming		7.3	14.5	118.5	3.7		4.4	12.3		1.2	6.7
Recreation		18.5	10.8	49.0	3.4		9.2	26.5		5.3	28.1
Photography		9.5	15.6	22.5	6.6		2.0	12.9		9.4	71.8
Toys and electronics		33.9	def	187.5	def		21.1	1.2		NM	NM
Construction	25	10.3	11.1	45.3	3.7	24	4.9	7.2	23	−0.1	26.2
Residential builders		13.3	10.3	49.0	3.0		16.4	1.9		32.4	18.4
Commercial builders		10.1	2.6	35.9	0.9		1.4	1.3		−33.9	−38.8
Cement and gypsum		6.8	13.3	56.6	5.8		4.0	−7.5		NM	79.5
Lumber		6.1	14.0	55.7	6.2		5.6	16.0		20.0	81.1
Other materials		11.9	13.9	44.5	5.3		5.4	8.4		4.0	26.6
Surface transportation	26	9.3	9.3	67.0	3.2	16	6.8	3.9	25	−3.1	−19.7
Railroads		6.3	8.3	67.3	4.2		3.0	−0.4		NM	12.5
Trucking and leasing		13.6	9.3	70.3	1.8		11.8	4.2		0.7	−34.1
Other surface		14.8	17.2	59.2	12.1		13.0	26.0		3.9	500.0+
Air transport	27	7.3	4.1	84.0	1.9	9	10.8	19.2	18	2.8	30.5
Freight		13.6	def	65.5	1.0		10.8	16.2		NM	14.8
Airlines		6.2	7.9	94.8	2.6		10.8	26.2		2.8	46.2
Oil	28	6.8	3.3	61.0	1.2	31	−5.6	−10.4	28	NM	−53.5
International oils		10.2	5.8	46.1	2.5		−6.1	−5.1		−9.7	−24.2
Other oil and gas		7.5	6.5	76.0	2.2		−4.8	−10.2		NM	−35.4
Oilfield services		def	def	32.2	def		−12.3	−23.5		NM	NM
Heavy equipment	29	5.6	6.1	38.2	2.0	30	−0.2	0.9	28	NM	1.4
Agricultural		def	def	126.6	def		−9.8	3.4		NM	NM
Building and mining		def	def	67.5	def		−0.2	2.6		NM	NM
Industrial		8.3	8.8	36.2	3.9		0.2	0.9		−15.0	8.5
Coal	30	4.5	5.6	62.6	4.8	25	4.0	−0.2	28	NM	8.5
Metals	31	def	2.9	40.0	2.2	29	0.1	6.3	28	NM	17.3
Nonferrous metals		def	7.0	36.5	4.9		−0.1	8.0		NM	350.0
Steel		def	1.6	43.6	1.2		0.3	1.7		NM	−44.1
All-industry medians		12.8	13.6	48.6	4.3		6.8	8.3		5.3	13.9

def: Deficit. NE: Negative equity. NM: Not meaningful. For further explanation, see page 65.

WHO'S WHERE IN THIS ISSUE

The following summary, organized alphabetically, shows how each of the 1,031 companies stacks up against every other company in the survey regardless of industry. There are three rankings for each corporation: five-year average return on equity, five-year earnings growth and five-year stock market performance. For details on these rankings, see the profitability report (p. 216), growth report (p. 184) and stock market report (p. 196). The last column in the following table lists each company's industry survey page. Within these industry reports each firm is ranked against its peers. A Forbes *survey company can appear in as many as three different industries or subindustries.*

	Rank			
Company	**Profitability**	**Growth**	**Stock market**	**Industry survey page**
Abbott Laboratories	57	182	196	140, 140
Advanced Micro	599	NM	792	101
Aetna Life & Cas	723	585	588	151
HF Ahmanson	587	31	421	82
Air Prods & Chems	663	728	318	89
Airborne Freight	488	115	763	72
Alberto-Culver	742	649	89	114, 176
Albertson's	152	285	269	130
Alcan Aluminium	860	NM	599	162
Alco Health Services	**	**	**	140
Alco Standard	467	630	633	106, 148
Alexander & Alexander	887	NM	811	151

	Rank			
Company	**Profitability**	**Growth**	**Stock market**	**Industry survey page**
Alexander & Baldwin	326	91	57	180
Alexander's	780	629	48	176
Allegheny Intl	958	NM	920	106, 114
Allegheny Ludlum	**	**	**	162
Allegheny Power	372	500	454	120
Allegis	812	NM	262	72
Allen Group	858	NM	812	77
Allied Bancshares	191	NM	911	82
Allied-Signal	808	NM	527	70, 77, 89
Allis-Chalmers	971	**	926	146
Alltel	446	548	321	182
Alcoa	828	NM	556	162

Profitability: 5-year return on equity. **Growth:** 5-year annual earnings-per-share growth. **Stock Market:** 5-year price change. **NM:** Not meaningful. **Not ranked. Note: A repeated page number indicates that the company is listed in more than one subindustry.

WHERE TO FIND THE COMPANY

	Rank			
Company	Profitability	Growth	Stock market	Industry survey page
AM International	**	NM	218	148
AMAX	946	NM	807	91, 162
Amdahl	744	217	325	101
Amerada Hess	878	NM	744	168
American Bankers	251	366	797	151
American Brands	217	583	344	86, 106
American Building	608	660	804	148
American Continental	22	18	38	82, 126
American Cyanamid	653	569	261	89, 140
American Electric	583	528	538	120
American Express	213	302	503	126
American Family	189	61	24	151
American General	412	295	413	151
American Greetings	246	312	773	99
American Hoist	954	NM	866	114, 146
American Home Prod	30	354	466	140
American Intl Group	300	383	303	151
American Maize	818	NM	668	134
American Medical	428	NM	897	140
American Natl Ins	401	98	434	151
American Petrofina	821	NM	723	168
American President	497	713	537	180
American Standard	661	633	655	108, 108, 180
American Stores	66	207	180	130, 176
American Tel & Tel	749	**	448	182
AmeriFirst Federal	**	**	**	82
Ameritech	384	546	319	182
AmeriTrust	647	420	309	82
Ames Dept Stores	157	228	317	176
Ametek	178	424	531	146
Amfac	913	NM	646	106, 134
Amoco	407	672	415	168
Amoskeag	795	293	648	114
AMP	205	549	339	101
Ampco-Pittsburgh	916	NM	700	146, 162
AMR	520	558	606	72
AmSouth Bancorp	364	294	203	82
Anchor Glass	3	**	**	172
Anchor Savings Bank	**	**	**	82
Anheuser-Busch Cos	154	234	99	86
AON	204	194	396	151
Apple Computer	86	188	186	101
Archer-Daniels	635	577	402	134
Arden Group	541	104	59	130
Aristech Chemical	**	**	**	89
Arkansas Best	677	97	233	180
Arkla	427	668	758	164
Armco	950	NM	873	162
Armstrong World Inds	565	74	221	108
Armtek	788	NM	680	77
Arrow Electronics	929	NM	906	101
Arvin Industries	505	84	378	77, 114
Asarco	934	NM	808	162
Ashland Oil	762	NM	369	168
Guy F Atkinson	673	676	785	108
Atlanta Gas Light	642	323	123	164
Atlantic Energy	543	456	484	120
Atlantic Financial	765	**	832	82
Atlantic Richfield	681	NM	403	168
Automatic Data	228	262	228	148
Avery International	279	275	312	89, 172
Avnet	633	697	822	101
Avon Products	606	NM	761	114

	Rank			
Company	Profitability	Growth	Stock market	Industry survey page
Bairnco	360	189	541	101, 108
Baker Hughes	940	NM	**	168
Ball Corp	262	278	195	172
Bally Manufacturing	852	NM	862	158, 158
Baltimore G&E	382	325	251	120, 164
Banc One	274	237	474	82
Bank of Boston	359	330	327	82
Bank of New England	296	363	**	82
Bank of New York	312	334	387	82
BankAmerica	885	NM	901	82
Bankers Trust NY	264	314	433	82
CR Bard	193	211	248	140
Barnes Group	756	NM	363	77
Barnett Banks	219	195	149	82
Bausch & Lomb	301	71	482	140
Baxter International†	456	612	737	140
BayBanks	367	329	236	82
Bear Stearns Cos	**	**	**	126
Bearings	755	715	750	146
Becton Dickinson	596	394	205	140
Bell & Howell	546	568	44	148
Bell Atlantic	443	519	282	182
BellSouth	409	541	314	182
Bemis	601	210	49	172
Beneficial Corp	875	NM	478	126
Benj Franklin S&L	**	**	**	82
Bergen Brunswig	271	396	863	140
Berkshire Hathaway	272	44	54	106, 151
Best Products	827	NM	896	176
Bethlehem Steel	953	NM	853	162
Beverly Enterprises	572	332	841	140
Big Bear	47	213	256	130
Bindley Western Inds	155	206	790	140
Black & Decker	892	NM	754	114
H&R Block	95	355	184	126, 148
Blount	350	706	637	108
Boatmen's Bancshares	321	469	328	82
Boeing	342	305	441	70
Boise Cascade	816	155	449	108, 172, 174
Borden	440	352	128	89, 134
Borman's	804	NM	584	130
Boston Edison	510	406	512	120
Bowater	374	662	589	174
Boys Markets	**	**	**	130
Briggs & Stratton	503	535	829	114
Bristol-Myers	82	281	177	114, 140
Brockway Inc (NY)	776	159	37	172
Brooklyn Union Gas	415	616	528	164
Brown-Forman	145	483	598	86
Brown Group	490	648	688	74, 176, 176
Browning-Ferris Inds	102	203	121	148
Bruno's	45	127	115	130
Brunswick	49	205	13	158
Burlington Northern	733	NM	260	164, 180
Business Men's Assur	702	NM	211	151
Businessland	945	**	840	176
Butler Manufacturing	847	NM	703	108
Cabot	735	NM	507	89, 168
Caesars World	743	NM	238	158
CalFed	496	7	672	82
California First Bk	727	434	283	82
CalMat	761	38	176	108
Cameron Iron Works	880	NM	864	168

Profitability: 5-year return on equity. **Growth:** 5-year annual earnings-per-share growth. **Stock Market:** 5-year price change. **NM:** Not meaningful. **Not ranked. †New name for Baxter Travenol. Note: A repeated page number indicates that the company is listed in more than one subindustry.

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	Rank			
Company	Profitability	Growth	Stock market	Industry survey page
Campbell Soup	347	328	204	134
Capital Cities/ABC	163	268	148	99, 99
Capital Holding	327	150	462	151
Cardinal Distribution	92	191	788	130, 140
Carlisle Cos	352	658	814	101, 108
Carolina Freight	173	177	523	180
Carolina Power & Lt	466	461	475	120
Carpenter Technology	NM	712	755	162
Carson Pirie Scott	675	445	63	176
Carter Hawley Hale	**	NM	**	176
Carteret Bancorp	567	**	384	82
Castle & Cooke	**	**	**	134
Caterpillar	906	NM	564	146
CBI Industries	757	NM	878	89, 108
CBS	188	578	110	99, 158
Centel	334	567	535	182
Centerior Energy	366	492	**	120
Centerre Bancorp	719	605	432	82
Centex	509	82	777	108, 108
Central & South West	319	397	392	120
Central Hudson G&E	365	501	765	120
Central Ill Pub Svc	511	563	587	120
Central Maine Power	672	720	767	120
Central Steel & Wire	706	642	271	162
CenTrust Savings Bank	2	**	**	82
CertainTeed	728	145	562	108
Champion Intl	833	NM	625	108, 174
Champion Spark Plug	823	NM	747	77
Charming Shoppes	43	96	82	176
Charter	962	NM	909	168
Charter Medical	34	99	400	140
Chase Manhattan	580	466	683	82
Chemical New York	383	433	719	82
Chesapeake	745	624	419	172, 174
Chevron	683	693	624	168
Chicago Pacific	144	561	103	114
Child World	**	**	**	176
Chrysler	5	8	111	77
Chubb	605	475	133	151
Church's Fried	483	698	885	130
Cigna	817	NM	662	126, 151
CILCorp	476	525	429	120, 164
Cincinnati Bell	485	309	120	182
Cincinnati Financial	253	242	270	151
Cincinnati G&E	399	441	593	120, 164
Cincinnati Milacron	879	NM	858	146
Circle K	356	120	307	130
Circuit City Stores	40	21	1	176
Citicorp	353	351	657	82
Citizens & Southern	266	248	254	82
CityFed Financial	139	266	895	82
Clark Equipment	936	NM	786	77, 146
Clorox	149	200	266	114
CMS Energy	849	NM	843	120, 164
CNA Financial	459	75	78	151
CNW	829	NM	665	180
Coachmen Industries	224	505	850	77
Coast S&L Assoc	**	**	**	82
Coastal Corp	419	609	73	164, 168
Coca-Cola	78	284	231	86
Coca-Cola Enterprises	**	267	**	86
Coleco Industries	4	NM	907	158
Coleman	670	656	716	108, 158

	Rank			
Company	Profitability	Growth	Stock market	Industry survey page
Colgate-Palmolive	525	659	304	114
Collins Foods Intl	261	488	342	130
Colt Industries	210	315	163	70, 77, 146
Columbia Gas System	766	NM	595	164
Columbia S&L Assoc	8	92	58	82
Combustion Eng	794	NM	793	146
Comdisco	36	102	487	148
Comerica	616	379	189	82
Commerce Bcshs	535	152	364	82
Commerce Clearing	18	301	366	99, 148
Commercial Credit	834	NM	**	126
Commercial Metals	718	529	376	126, 162
Commonwealth Edison	357	416	667	120
Commonwealth Energy	268	236	463	120, 164
Compaq Computer	121	5	32	101
Computer Sciences	451	344	169	70, 148
Computervision	811	NM	912	101
ConAgra	135	232	147	134
Consolidated Edison	413	463	273	120
Consol Freightways	489	601	436	180
Consol Natural Gas	414	503	84	164
Consolidated Papers	216	186	72	174
Consolidated Rail	975	51	**	180
Constar Intl	729	584	821	172, 180
Contel	351	439	422	182
Continental Corp	662	576	574	151
Continental Illinois	930	NM	886	82
Control Data	922	NM	860	101
Cooper Industries	704	661	423	116, 146
Cooper Tire & Rubber	304	587	543	77
Adolph Coors	760	560	550	86
Copperweld	931	NM	890	162
CoreStates Financial	156	137	208	82
Corning Glass Works	694	410	553	101, 114, 140
Costco Wholesale	**	**	**	176
CPC International	457	634	335	134, 134
Craig	809	NM	285	130
Crane	843	NM	296	108
Cray Research	60	40	61	101
Crestar Financial	254	287	368	82
CrossLand Savings FSB	**	**	**	82
Crown Central Pet	896	NM	709	168
Crown Cork & Seal	602	231	76	172
CSX	754	NM	500	164, 180
Culbro	666	617	257	86, 130
Cullum Cos	252	457	377	130
Cummins Engine	778	NM	722	77
Curtice-Burns Foods	229	425	286	134
Cyprus Minerals	**	**	**	91, 162
Dana	643	414	496	77
Data General	789	718	684	101
Datapoint	910	NM	**	101
Dayton-Hudson	267	279	699	176
Dean Foods	79	221	213	134
Deere	883	NM	712	146
DeKalb	861	NM	603	134, 168
Delchamps	233	547	550	130
Delmarva Power & Lt	381	362	424	120
Delta Air Lines	722	NM	801	72
Deluxe Check	39	160	162	99
Dennison Mfg	591	674	481	148, 174
DeSoto	665	653	735	89
Detroit Edison	523	459	697	120

Profitability: 5-year return on equity. **Growth:** 5-year annual earnings-per-share growth. **Stock Market:** 5-year price change. **NM:** Not meaningful. **Not ranked. Note: A repeated page number indicates that the company is listed in more than one subindustry.

WHERE TO FIND THE COMPANY

	Rank			
Company	Profitability	Growth	Stock market	Industry survey page
Dexter	397	534	470	89
Di Giorgio	803	NM	486	130
Diamond Shamrock R&H	**	**	**	168
Dibrell Brothers	129	124	272	86
Digital Equipment	620	476	151	101
Dillard Dept Stores	125	89	29	176
Dime Savings Bank	**	**	**	82
Walt Disney	664	343	62	158
Diversified Energies	600	NM	198	164
Dollar General	200	623	799	176
Dominion Bankshares	452	245	249	82
Dominion Resources	570	400	305	120
RR Donnelley & Sons	236	241	310	99
Dover	220	589	353	106, 108
Dow Chemical	731	671	90	89
Dow Jones	41	172	505	99
DPL	545	650	577	120, 164
Dravo	915	NM	748	108
Dresser Industries	871	NM	673	146, 168
EI du Pont de Nemours	652	523	219	89, 168
Duke Power	462	484	329	120
Dun & Bradstreet	27	187	263	99,99
Duquesne Light	561	590	794	120
Durr-Fillauer	494	342	835	140, 140
DWG	725	NM	74	74, 106
DynCorp	615	692	428	70, 108
E-Systems	133	223	698	70
E-II Holdings	**	**	**	114
Eagle-Picher Inds	864	NM	450	77, 146
Eastern Gas & Fuel	820	NM	708	91, 164
Eastman Kodak	690	714	619	158
Eaton	688	373	278	77, 101
Echlin	333	121	571	77
Ecolab	518	NM	467	148
Edgcomb	**	NM	**	162
Edison Bros Stores	393	628	**	176, 176
AG Edwards	127	361	784	126
EG&G	54	384	644	70, 101
Emerson Electric	165	451	549	114, 116
Emerson Radio	33	6	706	114
Emery Air Freight	388	NM	908	72
Emhart	517	NM	379	106, 108
Empire of America	**	NM	**	82
Engelhard	536	667	781	89, 162
Enron	648	729	567	164
Enserch	807	NM	752	108, 164
Entex	674	NM	739	82, 164
Equifax	109	368	171	126
Equitable of Iowa	712	214	479	151, 176
Equitable Resources	169	423	127	164, 168
Esselte Business Sys	551	83	**	148
Ethyl	329	167	18	89, 151
Exxon	249	489	126	168
Fairchild Industries	943	NM	852	70
Family Dollar Stores	53	88	677	176
Farm Fresh	146	427	833	130
Farm House Foods	790	723	826	130
Farmers Group	259	300	201	151
Federal Express	170	398	576	72
Federal-Mogul	582	710	697	77
Fedl Natl Mortgage	865	NM	647	126
Federal Paper Board	617	654	243	172, 174
Federated Dept Strs	537	517	520	176

	Rank			
Company	Profitability	Growth	Stock market	Industry survey page
Ferro	720	591	502	89
Fidelcor	239	316	131	82
Fieldcrest Cannon	759	470	681	114
Figgie Intl	422	421	118	70, 106
Finl Corp of Amer	89	NM	932	82
Fireman's Fund	850	**	**	151
Firestone	841	NM	359	77
First American	396	311	235	82
First Bank System	439	233	224	82
First Boston	68	264	570	126
First Chicago	691	565	634	82
First City Bancorp	907	NM	937	82
First Executive	29	399	635	151
First Federal Mich	77	37	654	82
First Fidelity Bncp	324	462	322	82
First Interstate Bncp	526	482	620	82
First Kentucky Natl	273	240	139	82
First Maryland Bncp	589	552	193	82
First of America Bank	286	130	85	82
First Pennsylvania	912	**	385	82
First RepublicBank	547	695	915	82
First Security	737	724	694	82
First Tennessee Natl	370	271	291	82
First Union	100	116	298	82
First Wachovia	196	171	**	82
First Wisconsin	564	422	136	82
Fischbach	805	NM	924	108
Fisher Foods	900	NM	791	130
Fleet Financial	180	249	152	82
Fleetwood Enterprises	93	15	771	77, 108
Fleming Cos	332	522	660	130
Florida Federal S&L	920	**	900	82
Florida Natl Banks	322	106	509	82
Florida Progress	405	341	347	120
Flowers Industries	158	274	145	134
Fluor	921	NM	848	108
FMC	465	296	10	70, 89
Food Lion	52	111	12	130
Foodarama Supermkts	799	143	112	130
Foodmaker	**	**	**	130
Ford Motor	106	199	27	77
Foremost Corp of Amer	594	652	579	151
Fort Howard	192	385	431	172, 174
LB Foster	942	NM	893	146
Foster Wheeler	655	701	736	108, 146
Foxboro	868	NM	867	146
FPL Group	480	435	411	120, 151
Freeport-McMoRan	632	705	611	89, 168
Fruit of the Loom	**	**	**	74
HB Fuller	449	412	166	89
Fuqua Industries	69	374	64	106, 114, 158
GAF	463	NM	9	89, 108
Gannett	132	339	418	99
Gap	72	107	22	176
GATX	898	NM	524	106, 180
Gearhart Industries	964	NM	931	168
Geico	31	79	210	151
Gelco	840	NM	445	180
GenCorp	777	307	165	70
General Cinema	25	110	245	86, 158
General Dynamics	148	NM	544	70
General Electric	185	389	333	70, 114, 116
General Host	147	606	469	176

Profitability: 5-year return on equity. **Growth:** 5-year annual earnings-per-share growth. **Stock Market:** 5-year price change. **NM:** Not meaningful. **Not ranked. Note: A repeated page number indicates that the company is listed in more than one subindustry.

Rank

Company	Profitability	Growth	Stock market	Industry survey page
General Instrument	882	NM	887	101, 101, 101
General Mills	**	431	348	130, 134
General Motors	400	32	730	77
General Motors EDS	21	46	438	148
GM Hughes Electronics	**	**	**	70, 77
General Public Utils	767	28	60	120
General Re	484	614	395	151
General Refractories	862	**	19	146
General Signal	667	688	770	101, 116, 146
Genesco	889	NM	823	74, 74, 176
Genuine Parts	230	481	405	77
Georgia Gulf	**	**	**	89
Georgia-Pacific	775	156	622	108, 174
Gerber Products	455	631	293	134
Getty Petroleum	477	NM	75	168
Giant Food	87	158	55	130
Gibraltar Financial	528	222	899	82
Gillette	317	719	140	114
GlenFed	**	64	146	82
Godfrey	507	95	14	130
Golden West Finl	38	66	188	82
Goldome	**	**	**	82
BF Goodrich	918	NM	702	77, 89
Goodyear	686	682	565	77
Gordon Jewelry	730	696	717	176
Gould	904	NM	905	101, 101
WR Grace	855	NM	664	89
WW Grainger	369	356	330	116
Gt Am First Savings	513	53	346	82
Great American Mgmt	815	NM	308	89
Great A&P Tea	676	78	30	130
Gt Northern Nekoosa	698	657	96	174
Gt Western Financial	657	29	610	82, 151
Greyhound	604	479	542	77, 114
Grossman's	966	NM	837	176
Grow Group	573	428	700	89, 114
Grumman	308	90	742	70
GTE	579	NM	608	182
Guilford Mills	335	592	239	74
Gulf & Western	739	NM	39	99, 126, 158
Gulf States Utils	506	635	898	120
Halliburton	842	NM	828	108, 168
Handy & Harman	814	NM	809	77, 162
Hannaford Bros	179	263	52	130
Hanover Insurance	593	556	81	151
Harcourt Brace	339	59	**	99, 151
Harnischfeger Inds	941	NM	156	146, 146
Harris Corp	678	683	844	70, 101
Harsco	658	551	290	70, 108 146
Hartford National	258	493	407	82
Hartmarx	539	581	596	74, 176
Hasbro	32	20	11	158
Hawaiian Electric	644	337	360	120
Hechinger	190	128	552	176
HJ Heinz	117	292	119	134
Henley Group	**	**	**	89, 108, 140
Hercules	592	464	430	70, 89
Hershey Foods	218	411	130	134
Hewlett-Packard	256	349	563	101
Highland Superstores	6	24	**	176
Hillenbrand Inds	243	358	181	114, 140
Hills Dept Stores	**	**	**	176
Hilton Hotels	283	571	459	158

Rank

Company	Profitability	Growth	Stock market	Industry survey page
Himont	141	**	**	89
Holiday	495	335	872	158
Holly Corp	70	35	185	168
Holly Farms	390	202	292	134, 134
Home Depot	19	105	265	176
Home Federal S&L	569	70	409	82
Home Group	**	**	**	151
Home Shopping	**	**	**	176
Homestead Financial	28	14	350	82
HON Industries	214	235	504	148
Honeywell	782	NM	591	70, 101, 148
George A Hormel	578	401	129	134
Hospital Corp	348	446	824	140
Household Intl	493	209	358	106, 126
Houston Industries	471	319	513	120
Hubbell	255	371	354	116
Humana	62	632	810	140
Huntington Bshs	423	377	199	82
EF Hutton Group	689	NM	851	126
IBP	**	**	**	134
IC Industries	819	NM	71	70, 106, 134
ICH	23	42	345	151
Ideal Basic Inds	960	NM	929	108
Illinois Power	328	455	701	120, 164
Illinois Tool Works	391	458	79	146
Imperial Corp of Am	903	**	825	82
Inco	935	**	581	162
Ingersoll-Rand	839	NM	324	146
Ingles Markets	371	151	**	130
Inland Steel Inds	927	NM	757	162
Insilco	654	555	743	106, 108
Inspiration Resources	951	**	869	89, 162
Integrated Resources	610	NM	769	126, 151
Intel	798	NM	372	101
Interco	710	622	689	74, 114, 176
Intergraph	46	30	435	101
Interlake	738	286	258	146
Intermark	481	NM	190	176
IBM	81	387	638	101
Intl Flavors & Frags	162	508	489	89
Intl Minerals & Chem	822	NM	682	89
Intl Multifoods	434	593	605	130, 134
International Paper	800	681	501	172, 174
Interpublic Group	197	197	183	99
Interstate Bakeries	914	NM	100	134
Iowa-Illinois G&E	337	559	452	120, 164
Iowa Resources	460	554	533	120
Ipalco Enterprises	318	259	398	120
Irving Bank	532	465	192	82
ITT	717	687	494	106, 151
IU International	870	NM	796	148, 180
James River Corp Va	176	192	602	172, 174
Jamesway	361	288	515	176
Jefferson-Pilot	571	303	226	151
Jefferson Smurfit	108	183	56	172, 174
Jerrico	448	534	746	130
Jim Walter	669	17	87	106, 108
Johnson & Johnson	263	625	471	114, 140, 140
Johnson Controls	416	438	498	77, 148
Earle M Jorgensen	846	NM	779	162
Jostens	131	395	252	99, 176
K mart	478	290	320	176
KaiserTech	926	NM	854	162

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Rank

Company	Profitability	Growth	Stock market	Industry survey page
Kaman	309	168	182	70, 146
Kansas City P&L	354	557	547	120
Kansas City Southern	696	NM	751	180
Kansas Gas & Elec	566	691	696	120
Kansas Power & Light	298	390	302	120, 164
Kaufman & Broad	771	69	279	108, 151
Kay	424	34	**	126
Kellogg	24	256	40	134
Kellwood	398	23	158	74
Kelly Services	73	132	33	148
Kemper	555	536	357	151
Kentucky Utilities	537	509	399	120
Kerr Glass Mfg	925	NM	817	172
Kerr-McGee	844	NM	678	168
KeyCorp	315	169	83	82
Kimball International	285	239	53	114
Kimberly-Clark	402	449	116	114, 174
KN Energy	660	716	**	164
Knight-Ridder	311	350	458	99
Koppers	893	NM	295	89, 108
Kraft	234	142	264	134
Kroger	544	704	607	130
Laclede Gas	291	163	247	164
Lafarge	888	NM	759	108
Laidlaw Industries	114	112	125	148
Leggett & Platt	164	185	138	114
Leslie Fay Cos	**	**	**	74
Life Investors	638	141	394	151
Eli Lilly	96	347	179	140
Limited	13	25	16	176
Lincoln National	598	224	337	151
Liquid Air	679	608	679	89
Litton Industries	376	690	483	70
Liz Claiborne	11	27	8	74
Lockheed	9	230	465	70
Loews	105	119	50	86, 151
Lone Star Industries	752	NM	842	108
Long Island Lighting	445	575	892	120
Longs Drug Stores	320	490	410	176
Longview Fibre	685	63	274	172, 174
Loral	232	208	529	70
Lorimar-Telepictures	709	NM	**	158
Louisiana Land	753	NM	707	168
Louisiana-Pacific	832	147	685	108
Louisville G&E	529	447	473	120, 164
Lowe's Cos	241	126	760	176
LTV	969	NM	916	70, 162
Lubrizol	521	603	546	89
Lucky Stores	143	291	557	130
Lukens	884	NM	69	162
M/A-Com	713	694	902	70, 182
Mack Trucks	911	NM	856	77
Macmillan	194	56	43	99
Manhattan Industries	859	NM	845	74
Manor Care	65	85	326	140
Manufacturers Hanover	530	550	839	82
Manufacturers Natl	531	47	114	82
Manville	886	NM	910	108
Mapco	432	468	381	168
Marine Midland Banks	645	353	28	82
Marion Laboratories	116	41	6	140
Marriott	120	179	159	130, 158
Marsh & McLennan Cos	44	336	160	151

Rank

Company	Profitability	Growth	Stock market	Industry survey page
Marsh Supermarkets	640	515	642	130
Marshall & Ilsley	344	299	212	82
Martin Marietta	340	NM	289	70
Masco	231	257	401	108
Masco Industries	**	**	20	77, 146
Mattel	947	NM	891	158
Maxicare Health	76	225	782	140
Maxus Energy	**	**	**	168
May Dept Stores	379	265	338	176, 176
Mayfair Super Markets	15	33	3	130
Maytag	80	122	237	114
MCA	538	521	493	158
McCormick & Co	294	566	614	134
McDermott Intl	863	NM	802	146, 168
McDonald's	111	251	174	130
McDonnell Douglas	491	327	559	70
McGraw-Hill	122	375	534	99
MCI Communications	375	NM	880	182
McKesson	560	597	577	140
MCorp	614	NM	930	82
MDC Holdings	50	103	875	108
Mead	796	619	92	172, 174
Media General	516	663	101	99, 99, 174
Mellon Bank	581	586	783	82
Melville	98	326	497	176, 176
Mercantile Bancorp	492	544	560	82
Mercantile Stores	277	269	299	176
Merck	126	308	42	140
Meredith	211	260	371	99, 99
Meridian Bancorp	373	306	382	82
Meritor Financial	837	NM	888	82
Merrill Lynch	406	580	830	126
Fred Meyer	99	80	**	130, 176
Michigan National	797	NM	143	82
Middle South Utils	534	621	874	120
Midlantic Banks	212	369	175	82
Midwest Energy	588	510	522	120, 164
Herman Miller	107	131	288	148
Minn Mining & Mfg	206	532	412	106
Minstar	63	11	5	158, 180
Mitchell Energy	641	727	870	164, 168
MNC Financial	469	391	124	82
Mobil	699	673	540	168, 176
Mohasco	801	388	275	114
Monarch Capital	472	114	388	151
Monsanto	726	NM	336	89
Montana Power	519	645	641	91, 120, 164
Moore Corp	454	553	594	148
Moore McCormack	909	NM	780	108
JP Morgan & Co	276	193	281	82
Morgan Stanley	**	**	**	126
Morrison	420	611	555	130, 130
Morrison-Knudsen	584	596	572	108
Morton Thiokol	75	258	225	70, 89
Motorola	619	670	530	101, 182
Munford	557	703	480	130
Murphy Oil	769	NM	695	168
Nacco Industries	118	10	167	91, 146
Nalco Chemical	175	604	705	89
Nash Finch	533	516	97	130, 130
Nashua	806	93	15	148
National City	378	162	107	82
Natl Convenience	195	699	729	130

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Company	Profitability	Growth	Stock market	Industry survey page
National Distillers	773	665	222	89, 168
National Fuel Gas	458	415	150	164
National Intergroup	938	NM	849	140, 168
National Medical	288	437	776	140
Natl Semiconductor	899	NM	426	101, 101
National Service	227	386	280	116, 148
National-Standard	881	NM	820	162
Navistar Intl	968	**	724	77
NBD Bancorp	556	219	117	82
NCNB	282	270	297	82
NCR	410	289	102	101
Neiman-Marcus Group	**	**	**	176
New England Electric	242	364	519	120
NY State E&G	389	498	659	120
New York Times	110	144	104	99
Newmont Mining	854	NM	663	162
Niagara Mohawk Power	392	545	778	120, 164
Nicor	891	NM	772	164
NIKE	56	644	827	74, 74
NL Industries	937	NM	907	89, 168
Nordstrom	208	174	66	176
Norfolk Southern	630	595	616	180
Norstar Bancorp	345	444	315	82
Nortek	553	436	721	108
Northeast Utilities	248	212	391	120
No Indiana Pub Svc	784	NM	838	120, 164
No States Power	303	382	284	120, 164
Northern Trust	714	527	168	82
Northrop	295	76	661	70
No'western Natl Life	721	146	394	151
Northwestern Steel	933	NM	787	162
Norton	895	NM	636	146
Norwest	703	626	554	82
Nucor	437	252	451	162
NWA	779	19	803	72
Nynex	470	467	255	182
Occidental Petroleum	785	709	617	164, 168
Ogden	524	NM	367	148
Ogilvy Group	159	298	455	99
Ohio Casualty	624	570	373	151
Ohio Edison	426	491	551	120
Oklahoma G&E	436	539	490	120
Old Republic Intl	314	442	548	151
Olin	835	NM	504	89
Omnicom Group	740	NM	**	99
Oneok	586	678	740	164
Orange & Rockland	468	518	464	120, 164
Orion Capital	917	NM	762	151
Outboard Marine	680	685	630	158
Owens-Corning	693	637	**	108
Oxford Industries	280	636	715	74
Paccar	668	543	612	77
PACE Membership	949	**	**	176
Pacific G&E	387	426	621	120, 164
Pacific Lighting	636	702	386	164, 176
Pacific Resources	684	NM	691	168
Pacific Telesis	461	247	316	182
PacifiCorp	346	531	472	91, 120, 182
PaineWebber Group	186	520	881	126
Pan Am	959	**	705	72
Panhandle Eastern	872	NM	**	164
Parker-Hannifin	527	460	306	70, 146
Pay'n Save	**	**	**	176

	Rank			
Company	Profitability	Growth	Stock market	Industry survey page
Payless Cashways	257	378	868	176
Penn Central	764	NM	439	106, 182
JC Penney	552	533	340	176
Pennsylvania P&L	576	620	444	120
Pennwalt	786	NM	586	89
Pennzoil	618	708	323	168
Pentair	287	407	355	146, 174
Peoples Energy	306	359	425	164
Pep Boys	199	218	47	176
PepsiCo	177	244	134	86, 130, 134
Perini	836	NM	798	108
Perkin-Elmer	559	574	800	70, 101
Perry Drug Stores	548	432	727	176
Petrie Stores	201	360	440	176
Pfizer	137	154	518	140
Phelps Dodge	924	NM	583	162
PHH Group	187	418	816	148
Philadelphia Elec	464	540	676	120
Philip Morris Cos	64	190	106	86, 134
Philips Industries	101	113	207	108
Phillips Petroleum	609	675	720	168
Phillips-Van Heusen	577	176	206	74, 176
Pillsbury	269	338	173	130, 134
Pinnacle West	442	588	674	120
Pioneer Hi-Bred Intl	160	443	623	134
Pitney Bowes	184	161	105	101
Pittston	905	NM	834	72, 91
Pittway	508	607	613	99, 114, 172
PNC Financial	221	238	416	82
Polaroid	802	134	406	158
Portland General	403	638	517	120
Potlatch	748	215	578	108, 174
Potomac Electric	310	243	170	120
PPG Industries	411	229	161	77, 108
Premark Intl	**	**	**	114
Premier Bancorp	639	NM	774	82
Price Co	12	22	220	176
Primark	623	100	234	164
Prime Computer	183	472	861	101
Primerica	772	109	393	151, 176
Procter & Gamble	270	613	539	114, 114
Progressive	61	50	36	151
Provident Life & Acc	417	184	618	151
PS Group	869	NM	815	168
Public Service Colo	558	594	658	120, 164
Public Service Ind	172	711	882	120
Public Service NH	774	NM	918	120
Public Service NM	514	639	789	120, 164
Pub Svc Enterprise	502	419	457	120, 164
Pueblo International	707	149	287	130
Puget Sound P&L	611	666	626	120
Pullman	967	**	389	77, 106
Pulte Home	84	413	903	108
Quaker Oats	235	216	35	134
Quaker State Oil	500	480	733	168
Questar	377	430	365	164
Ralston Purina	71	72	46	134, 134
Ramada	877	67	669	158
Raychem	568	600	417	116
Raytheon	225	486	511	70, 106
Reebok International	1	1	**	74
Reliance Group	123	16	**	151
Republic New York	278	487	442	82

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Company	Profitability	Growth	Stock market	Industry survey page
Resorts Intl	890	NM	675	158
Reynolds & Reynolds	289	86	693	101, 148
Reynolds Metals	901	NM	68	162
Riggs National	575	408	429	82
Rite Aid	104	317	259	176
RJR Nabisco	138	405	191	86, 134
RLC	697	598	704	180
Roadway Services	284	579	726	180
HH Robertson	902	NM	879	108
AH Robins	955	NM	768	140
Rochester G&E	394	496	741	120, 164
Rockwell Intl	150	175	380	70
Rohm & Haas	362	255	217	89
Rohr Industries	136	81	178	70
Rollins	51	204	456	148
Roper Corp	634	NM	95	114
Rorer Group	74	196	516	140
Rose's Stores	260	153	80	176
Ross Stores	848	NM	**	176
Rubbermaid	140	165	108	114
Ruddick	475	485	334	130
Ryder System	250	282	506	180
Rykoff-Sexton	562	538	341	130
Ryland Group	119	36	652	108
Safeco	435	157	236	151
St Paul Cos	746	NM	468	151
Salomon	168	393	831	126
San Diego G&E	265	452	349	120
Santa Fe Southern	747	NM	332	180
Sara Lee	166	324	86	134
Savannah Foods	91	686	240	134
Savin	965	**	934	148
Scana	444	473	397	120, 164
Schering-Plough	433	495	214	114, 140
Schlumberger	692	NM	836	168
SCI Systems	222	87	656	101
Scott Paper	627	198	77	114, 174
Scotty's	542	599	857	176
Seagate Technology	7	135	645	101
Seagram	612	380	223	86
Sealed Power	438	514	651	77
Sears, Roebuck	550	313	640	151, 176
Seaway Food Town	715	689	301	130
Security Pacific	316	345	361	82
Sequa	142	58	144	89, 101
Service Merchandise	682	NM	914	176
Shaklee	151	526	795	114
Shaw Industries	171	48	109	114
Shawmut	479	367	447	82
Shearson Lehman Bros	85	138	**	126
Sherwin-Williams	244	133	216	176
Shoney's	94	178	460	130
Signet Banking	292	118	241	82
Singer	512	4	153	70
Skyline	763	340	877	77, 108
AO Smith	845	NM	300	77
Smith International	956	NM	913	168
Smithfield Foods	453	54	17	134
SmithKline Beckman	67	502	580	140, 140
Snap-on Tools	174	297	200	77
Society	501	254	141	82
Sonat	787	NM	731	164
Sonoco Products	290	333	155	172

	Rank			
Company	Profitability	Growth	Stock market	Industry survey page
Soo Line	876	NM	883	180
Southeast Banking	499	450	453	82
Sc Calif Edison	313	454	370	120
Southern Company	331	310	566	120
So New England Tel	498	513	446	182
Southland	341	370	246	130
Southmark	83	49	615	126
Southwest Airlines	408	512	855	72
Southwest Gas	431	280	311	164
Southwestern Bell	473	507	351	182
Southwestern Pub Svc	153	402	536	120
Sovran Financial	238	253	575	82
Spiegel	336	43	**	176
Springs Industries	736	684	558	74, 114
Square D	323	573	590	116
Squibb	198	117	93	140
SSMC	**	**	**	114
Staley Continental	813	726	710	130, 134
Stanadyne	430	478	390	108, 146
Std Commercial Tob	486	610	374	86
Standard Fedl Bank	**	**	**	82
Standard Register	203	201	70	148
Standard Shares	515	504	476	99, 114, 172
Stanley Works	429	320	532	114, 146
State Street Boston	124	220	94	82
Sterling Drug	358	537	227	114, 140
JP Stevens	831	NM	609	74, 114
Stewart & Stevenson	908	NM	561	146
Stewart-Warner	867	NM	601	146
Stone Container	781	NM	88	172, 174
Stop & Shop Cos	275	618	485	130, 176
Storage Technology	973	NM	935	101
Strawbridge	441	173	91	176
Student Loan	20	60	122	126
Subaru of America	16	108	813	77
Sun Company	687	679	461	168
Sun Microsystems	10	3	**	101
Sundstrand	603	669	764	70, 146
SunTrust Banks	223	277	**	82
Super Food Services	349	73	65	130
Super Rite Foods	88	404	876	130, 130
Super Valu Stores	112	409	514	130
Sysco	209	283	604	130
Talley Industries	792	140	187	70, 114
Talman Home Federal	**	**	**	82
Tambrands	48	322	313	114
Tandem Computers	574	304	375	101
Tandy	59	511	847	101, 176
TCF Banking & Savings	**	**	**	82
TECO Energy	447	471	244	120
Tecumseh Products	482	564	526	146
Tektronix	628	664	756	101
Tele-Communications	711	101	26	99
Teledyne	134	166	276	70, 106, 151
Telex	35	55	250	101
Temple-Inland	613	250	443	108, 172
Tenneco	741	NM	600	106, 164, 168
Tesoro Petroleum	932	NM	846	168
Texaco	758	700	734	168
Texas Air	970	**	686	72
Texas American Bcsh	838	NM	919	82
Texas Eastern	724	731	806	164
Texas Industries	671	651	725	108, 162

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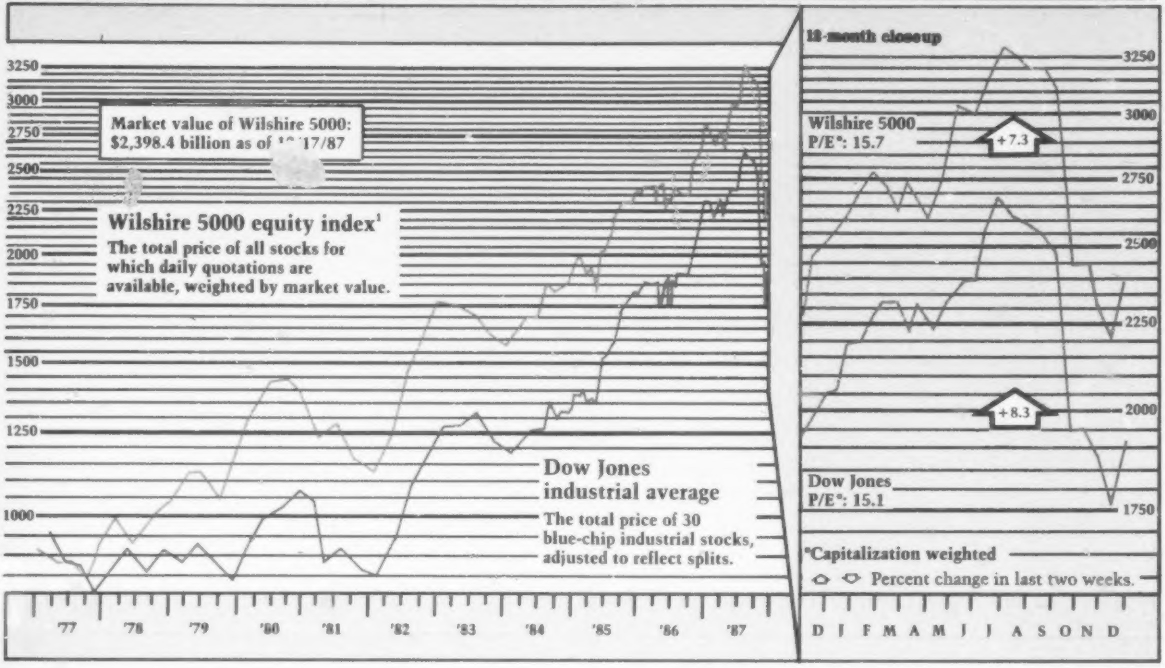
	Rank			
Company	Profitability	Growth	Stock market	Industry survey page
Texas Instruments	824	NM	749	70, 101
Texas Utilities	343	499	632	120
Textron	626	226	362	70, 106
Thorn Apple Valley	857	NM	819	134
TIE/Communications	810	NM	928	182
Tiger International	974	**	653	72
Time Inc	130	65	352	99, 99
Times Mirror	90	139	253	99
Timken	894	NM	692	146, 162
Todd Shipyards	856	NM	933	70, 146
Torchmark	299	125	41	151
Toro	793	**	429	114
Tosco	**	NM	927	168
Toys "R" Us	97	136	202	176
Tracor	421	640	404	70
Trans World Airlines	952	**	495	72
Transamerica	659	627	568	151
Transco Energy	607	NM	775	164
Travelers	651	524	510	151
Triangle Industries	338	NM	7	172
Tribune	385	77	215	99
Trinity Industries	853	NM	521	108, 180
Trinova	563	12	164	146
TRW	522	NM	627	70, 77
Turner	128	582	643	108
Turner Broadcasting	**	NM	687	99, 158
TW Services	597	9	**	130, 130
Tyco Laboratories	202	346	21	108
Tyler	650	647	690	89, 101, 108
Tyson Foods	55	13	2	134
UGI	851	NM	628	89, 164
UNC	939	NM	488	70
Union Camp	625	646	427	172, 174
Union Carbide	750	NM	629	89
Union Electric	328	381	408	120
Union Pacific	791	NM	670	168, 180
Union Texas Petrol	590	NM	**	168
Unisys	770	NM	229	101
United Artists	293	331	4	99, 158
United Banks of Colo	629	615	739	82
United Brands	830	542	23	134, 134
United Financial	897	**	923	82
United Illuminating	245	477	718	120
United Jersey Banks	380	227	132	82
United Merchants	944	**	865	74, 74
US Bancorp	554	497	331	82
US Healthcare	17	2	569	140
US Home	919	NM	921	108
US Shoe	386	680	650	74, 176
United Stationers	115	170	499	148
United Technologies	631	725	671	70, 108
United Telecom	649	721	649	182
Univar	549	722	**	89
Universal Foods	395	602	437	134
Universal Leaf	207	372	230	86, 126
Unocal	540	707	714	168
UNUM Corp	**	**	**	151
Upjohn	302	392	45	140
US West	474	562	356	182
USAir Group	425	530	745	72
USF&G	734	NM	545	151
USG	215	62	232	108, 108
Uslico	355	453	525	151

	Rank			
Company	Profitability	Growth	Stock market	Industry survey page
USLife	716	NM	592	151
UST Inc	42	180	34	86
USX	928	NM	582	162, 168
Utah Power & Light	622	655	585	120
UtiliCorp United	226	348	277	120, 164
Valero Energy	866	NM	917	164, 168
Valley National	504	429	414	82
Varian Associates	700	NM	859	101
Varity Corp	**	**	805	77, 146
VF	37	164	142	74
Viacom	**	**	**	99
Vista Chemical	**	**	**	89
Vons Cos	**	**	**	130
Vulcan Materials	404	448	209	89, 108
Wal-Mart Stores	26	68	31	176
Walgreen	103	181	242	176
Wang Laboratories	418	717	904	101
Warner Commun	826	NM	477	158
Warner-Lambert	585	NM	172	140
Washington Gas Light	487	403	383	164
Washington National	751	572	713	151
Washington Post	58	94	67	99
Waste Management	113	123	154	148
Del E Webb	695	26	711	108
Weis Markets	181	321	113	130
Wells Fargo	450	273	98	82
Wendy's Intl	297	NM	753	130
West Point-Pepperell	646	641	639	74, 74, 114
Western Auto Supply	**	**	**	176
Western Co No Amer	957	NM	925	168
Western S&L	14	52	51	82
Western Union	963	NM	936	182
Westinghouse	305	318	194	70, 116
Westmoreland Coal	873	NM	666	91
Westvaco	637	494	157	174
Wetterau	330	39	267	130
Weyerhaeuser	783	474	728	108, 174
Wheeling-Pittsburgh	961	NM	889	162
Whirlpool	237	376	631	114
Whittaker	705	NM	738	89, 146
Wickes Cos	972	730	894	176
Wicor	595	365	492	164
Willamette Inds	656	45	491	108, 174
Williams Cos	874	NM	573	164
Wilson Foods	948	NM	766	134
Winn-Dixie Stores	182	506	508	130
Wisconsin Energy	325	357	294	120
Wisconsin P&L	307	440	343	120
Wisconsin Public Svc	363	417	362	120, 164
Witco	368	276	197	89, 168
FW Woolworth	768	148	135	176, 176
Worthington Inds	161	261	268	162
Wm Wrigley Jr	247	246	25	134
Wyman-Gordon	708	NM	884	70
Xerox	701	677	[illegible]	148, 151
Xidex	167	272	871	148
Yellow Freight Sys	281	57	137	180
York International	**	**	**	108
Zapata	923	NM	922	134, 168
Zayre	240	129	420	176, 176
Zenith Electronics	825	NM	NM	101, 114
Zurn Industries	621	643	597	146

Profitability: 5-year return on equity. **Growth:** 5-year annual earnings-per-share growth. **Stock Market:** 5-year price change. **NM:** Not meaningful. **Not ranked. Note: A repeated page number indicates that the company is listed in more than one subindustry.

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Bull rally or bear trap? The Dow in early December came close to but never fell below its Oct. 19 low. For the rest of the market it was a different story. The Wilshire index of 5,800 securities hit a new low for the year on Dec. 4. Since that point the market has been on a rebound. In the last two weeks stock prices recovered sharply in a broad-based advance. Unlike the wild gyrations that followed October's explosive crash, trading volume was at near-normal levels. The Wilshire index rose 7.3%, while the Wilshire stocks rose a total $121 billion in paper value.

Are Wall Street's problems over? Probably not. The Wilshire P/E, based on latest-12-month earnings, is back up to 15.7. While there are scores of stocks that have been driven down 50% or more, the overall market is still not particularly cheap. If earnings fall in 1988, then stocks will, too, unless investors are happy with a yet higher P/E.

Closeup On the Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	1.4	0.7	1.5	1.0	3.9	1.8
in last 52 weeks	-4.1	-3.4	0.6	-3.6	-4.3	-9.1

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	2.3	-3.6	-4.0	-1.5	3.4	-1.7	-2.9	0.4	-1.2	-0.3	1.9	-3.5
in last 52 weeks	-2.4	7.3	14.0	2.3	-6.7	-10.0	-8.3	21.1	18.2	-4.2	-2.2	3.9

[1] Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2] Based on sales. [3] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

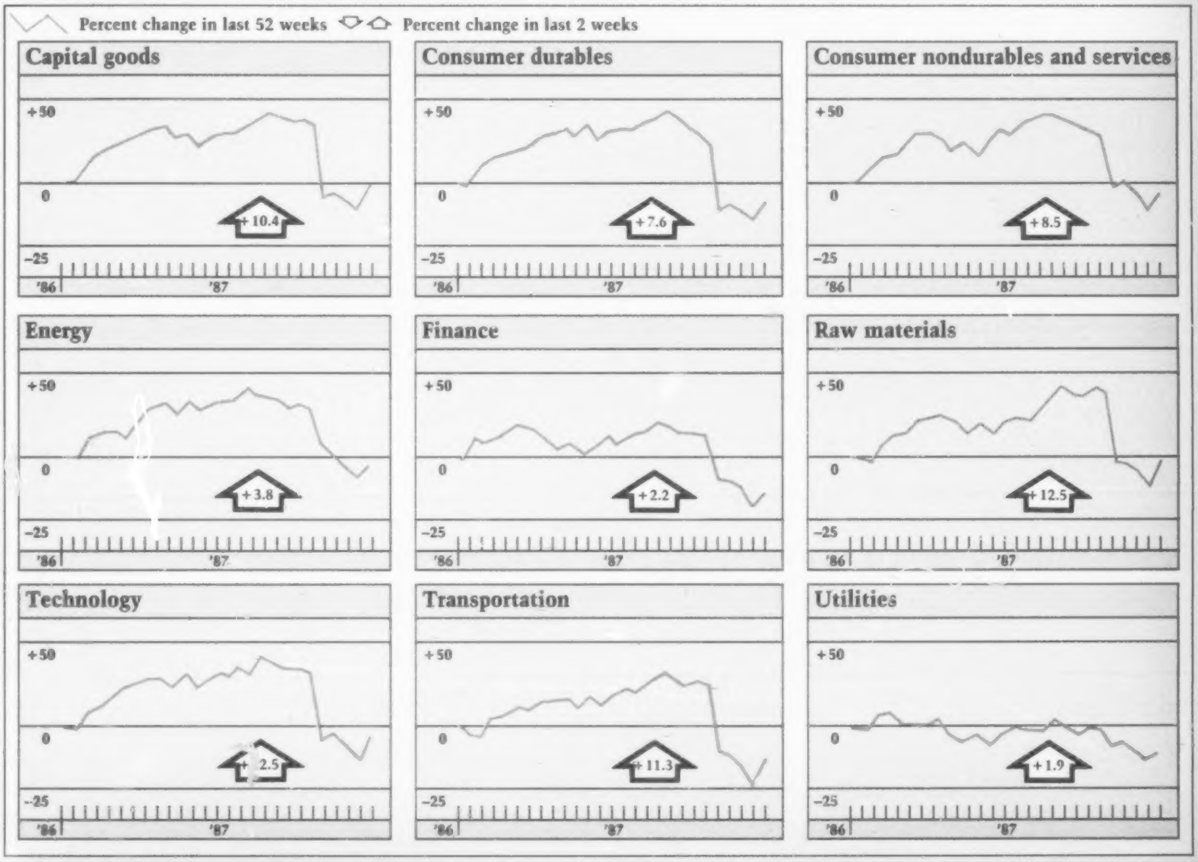
Note: All data for periods ending 12/17/87. Prepared by Wilshire Associates, Santa Monica, Calif.

Gay French

Where the Action Is

A game of catch-up. During the most recent two weeks, six Wilshire sectors gained more than the overall market. Technology and raw materials shot up over 12%, while transportation and capital goods followed with gains exceeding 10%. But, for all the cheer this late December surge offered to weary and battered investors, only three groups—raw materials, capital goods and energy—show higher quotations than they had one year ago.

The falloff in oil prices should help transportation companies, but analysts are still not optimistic about this group's prospects for 1988 *(see below).* The best-performing transportation companies over the last ten trading days were CSX Corp., which rose 23%, and Delta Air Lines and AMR Corp., which both gained over 20%.



What the Analysts Think

A tough year to predict. Analysts are lowering 1988 forecasts for all sectors except raw materials. Consumer durables and transportation stocks now show the sharpest cuts. Finance has an estimated 1988 P/E of 6.4. The P/E for capital goods is 14. A strong likelihood of additional estimate cuts makes capital goods richly priced.

Forecasting the Forbes Sales 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.40	14.9
1988 estimates	3.63	9.9
1989 estimates	NA	NA

NA: Not available.

Rank based on change in estimate	Sector	Estimated 1987 EPS	Estimated 1987 P/E	% change in 1987 estimate in 2 weeks	% change in 1987 estimate in 4 weeks
1	Raw materials	$2.89	10.8	0.48%	-0.14%
2	Utilities	3.05	9.1	-0.24	-0.19
3	Consumer nondurables	2.65	11.7	-0.39	-0.95
4	Technology	2.96	11.2	-0.45	-1.18
5	Energy	2.93	11.3	-0.55	-1.84
6	Capital goods	2.62	14.0	-1.01	-2.05
7	Finance	3.78	6.4	-1.33	-3.00
8	Consumer durables	4.26	11.5	-1.59	-3.93
9	Transportation	2.48	10.9	-2.00	-6.87

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continually by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 12/17/87. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

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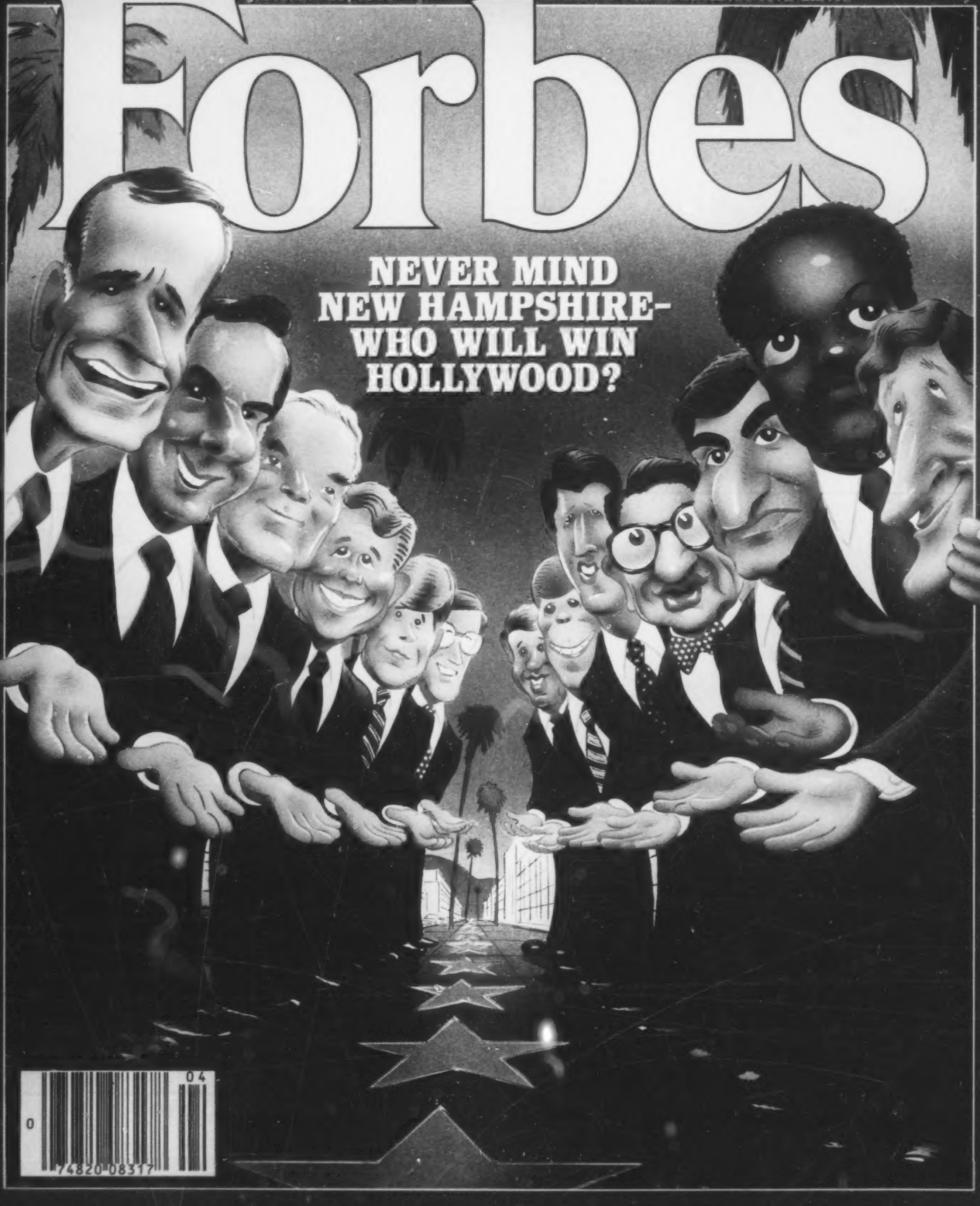
DEFLATION AHEAD?

WHY JOHN T IS BULLISH

JANUARY 25, 1988

THREE DOLLARS SEVENTY-FIVE CENTS

Forbes



NEVER MIND NEW HAMPSHIRE– WHO WILL WIN HOLLYWOOD?

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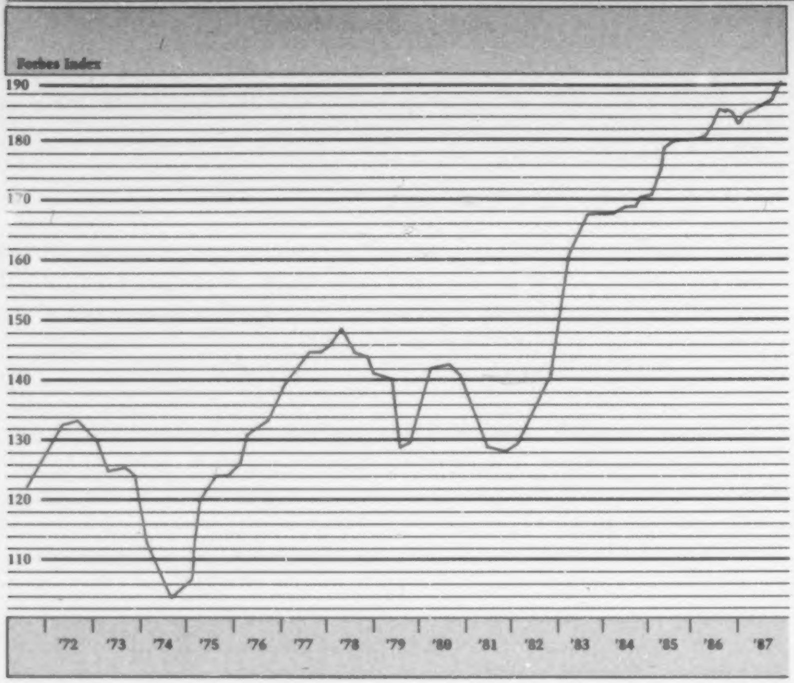
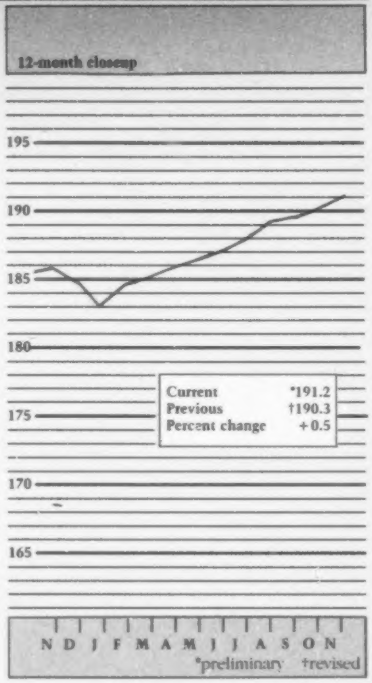
The Forbes Index





Current	*191.2
Previous	†190.3
Percent change	+0.5

*preliminary †revised

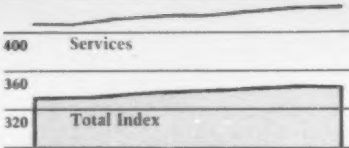
Signs of a slowdown. Despite a preliminary 0.5% rise in the Forbes Index for the month of November, several Index components signal a weakening ahead in the economy. The six-month total of unemployment claims rose 1.6%. Results for November, reflecting layoffs in Detroit and Wall Street, show a 3.9% jump over the October unemployment figure. Manufacturers' new orders fell 0.4% in November, but the 3-month total of new orders to November inventories was up 0.3%. The 12-month total for new housing starts rose 0.1%.

Industrial production increased 0.4% over October. Gains of 0.7% for personal income and 0.2% for retail sales also supported the Forbes Index. Thus, the economic expansion remains alive, but it is not in good shape.

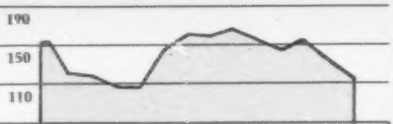
The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

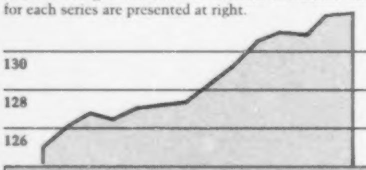
To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



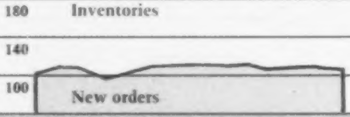
Consumer price indexes (1967 = 100)
all urban consumers, unadjusted (Dept. of Labor)



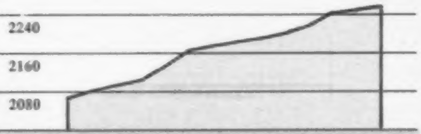
New housing starts (thousands)
privately owned, unadjusted (Dept. of Commerce)



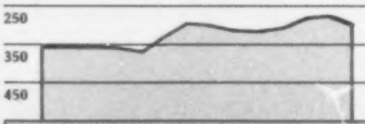
Industrial production index (1967 = 100)
seasonally adjusted (Federal Reserve)



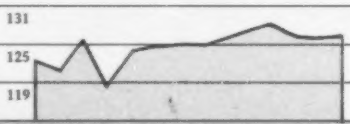
Manufacturers' new orders and inventories
($billions) seasonally (Dept. of Commerce)



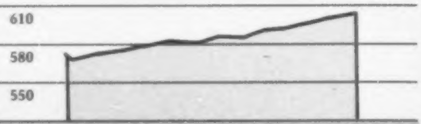
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month
(thousands) seasonally adjusted (Dept. of Labor)



Retail store sales ($billions)
seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions)
total, seasonally adjusted (Federal Reserve)

O N D J F M A M J J A S O N   O N D J F M A M J J A S O N   O N D J F M A M J J A S O N

Forbes

Congress gave a tax break to developers of retirement communities. Some break. It leaves senior citizens in bankrupt retirement homes and has cost bond buyers around a half billion dollars in losses.

An expensive free lunch

By Matthew Schifrin

RETIRED ARMY Colonel Thomas Miller well remembers the day he attended a free-lunch investment seminar at Tucson's OK Corral. After dining on steak and potatoes, the 72-year-old Miller and about two dozen other gray-haired seniors listened to a pitch on tax-free investing in the retirement industry. The seminar's sponsor: Buchanan & Co. of Jackson, Miss.

"They were very smooth," says Miller. "They told us that municipal bonds were 99% safe." Three years and five lunches later, Miller has already lost $66,500 of the $131,000 he invested in bonds secured by nonprofit retirement communities.

Tom Ives/Comstock

Tucson retirees Colonel Thomas and Mary Miller
Their free lunches have cost them $66,500 so far.

And not only bondholders are being cheated. One of Miller's defaulted bonds is for the 240-unit Skylyn Hall retirement center in Spartanburg, S.C. Just a few days before Skylyn's bankers foreclosed, Julia Manning paid $34,000 for a Skylyn unit. At 93, Manning requires a companion to help her get by from day to day. Adding to her worries, Skylyn's promised on-premises nursing home may never open.

Manning and Miller are only two among tens of thousands of victims of a billion-dollar tax-exempt bond scandal. If you haven't heard of this scandal, it's because there's no sure way of tracking the issuers or the victims, since these elderly-housing issues are exempt from SEC registration. Congress accorded them that dubious exemption by allowing them to be treated as "municipal" bonds. This much is now clear: Over $1 billion in defaulted retirement facility and nursing home bonds have already cost unwary investors hundreds of millions of dollars.

No underwriter has been more aggressive in this game than Buchanan & Co. of Jackson. Over the last five years this obscure brokerage has underwritten some $600 million worth of tax-exempt retirement center and nursing home bonds. Of the estimated $5 billion worth of such bonds marketed nationwide in the last ten years, over $1 billion worth, raised in 100 issues, has gone into default. About half of the 100 defaulted issues were marketed by Buchanan & Co.

Congress has closed the door on most other tax-free revenue bonds (or subjected them to state-by-state ceilings). With brokers thus gasping for product to peddle, tax-exempt financing for retirement facilities has been attracting such big-time underwriters as Smith Barney and Morgan Stanley. But they have been relatively small players. Buchanan has been one of the biggest players, flooding the market with tax-exempt paper with little regard to the quality of the projects secured by the bonds. During the late 1970s and early 1980s Buchanan did a successful business in underwriting tax-exempt bonds for utility districts and nursing homes. Why not transfer this success to the financing offered to retirement home projects? Buchanan plowed ahead.

For Buchanan, which already had offices set up in Tampa, Tucson and other Sunbelt cities, marketing the bonds proved a snap. For target investors, the firm aimed at senior citizens, who, after all, would naturally be sympathetic to the purpose of the projects. (As a rule, however, investors were not also residents.) At the lunch seminars, bondholders claim, salesmen would routinely suggest that retirement centers were just like nursing homes and that municipal bonds were as good as money in the bank. Buchanan advertised juicy tax-free rates—12% to 16%—on first mortgage bonds. To attract developers and projects to finance, Buchanan advertised 100% financing in health industry trade magazines.

The brains of the operation was—and is—Robert Buchanan Jr., 51, a penny-pinching onetime pharmacist and son of a Mississippi preacher. Known as a taskmaster who, former employees say, goes out of his way to check the return slots of pay telephones for uncollected coins, Buchanan personally does much of the digging that turns up promotable projects. He declined to be interviewed for this story, clearly preferring to keep a low profile.

What buyers of the bonds did not always realize, however, is that—as with other private-purpose revenue bonds—the nominal issuer, a municipality, is not in fact the borrower. These are not full faith and credit bonds. The municipality simply lends its tax-exempt status to a special, nonprofit entity created to own and run the project once it is built. So even though bond prospectuses brandish names like New Jersey Economic Development Authority and the Mesa, Ariz. Industrial Development Authority, the entity backing the bonds is actually the poorly capitalized nonprofit entity.

E.A. Kennedy III/The Clarion Ledger

Buchanan & Co.'s Robert Buchanan Jr.
Keeping a low profile in Jackson.

No surprise that the $5.5 million retirement village in Bowling Green, Ky., a Buchanan bond issue that came out in 1983, is trading at about 10 cents on the dollar after defaulting in 1984. Hunt's Healthcare, an Indiana nursing home Buchanan underwrote in 1985, is going for 75 cents, even though it is still paying interest—out of its reserve fund, however.

"These are the penny stocks of the bond business," says Richard Lehmann, whose Miami-based Bond Investors Association tracks defaults of both muni and taxable bonds. Most of the retirement home issues are unrated by Moody's or S&P, and like all municipals they are not registered with any state or federal regulatory agency.

Thus unrated and unregistered, the bonds could not be easily sold to well-informed investors. Which is why Buchanan went out and beat the bushes for relatively unsophisticated investors tempted by high yields.

One reason so many of Buchanan's projects flop is that the sites are hastily chosen and are often totally inappropriate locations for retirement homes. Take the Edwinola retirement center, a 255-unit, Buchanan-financed project located smack in the center of run-down Dade City, Fla., 30 miles north of Tampa. Four months after opening in late 1983 the project filed for bankruptcy, having attracted fewer than 15 residents.

The ten worst

Apart from the $2.25 billion WPPSS bankruptcy, the $1 billion in defaulted retirement facility bonds stands as the worst muni bond disaster in history. Below, the ten biggest underwriters of these issues.

Underwriter	Defaults ($mil)	Number of projects	Comment
Buchanan & Co. **Jackson, MS**	$390†	51	Free lunch seminars corralled some $600 million of bond buyers. Most feasibility studies from May Zima & Co.
Hereth, Orr & Jones* **Atlanta, GA**	270†	10	After several defaults of bonds it underwrote, was shut down late 1983 for net capital violations. Feasibility firms include Laventhol & Horwath, Price Waterhouse.
Swink & Co. **Little Rock, AR**	106†‡	7	After retirement projects in 4 states defaulted, still very active in junk munis. Feasibility firms include Laventhol, May Zima.
Henderson Few & Co. **Atlanta, GA**	106†	6	Founder Gerry Henderson moved from Atlanta to Sarasota, Fla. Now active in retirement center workouts.
Miller & Schroeder **Minneapolis, MN**	97†	4	Placed many of its bonds in insured unit trusts. Feasibility firm: Laventhol.
J. Milton Newton & Co.* **St. Petersburg, FL**	58	4	Founder J. Milton Newton taught Robert Buchanan Jr. the business. After financial reversals in 1984, Newton committed suicide in office.
Juran & Moody **St. Paul, MN**	36	2	Successful in utility district bonds, encountered problems in retirement centers.
Blyth Eastman PaineWebber **New York, NY**	33†	1	Defaulted retirement home bonds settled in 1985 for 91 cents on the dollar.
Herbert J. Simms **New York, NY**	33†	1	Only default of the dozens of retirement centers it has underwritten. Default settled in 1985 (see Blyth Eastman).
Merrill Lynch **New York, NY**	32†	1	Failed Westminster Village in Daphne, Ala. refinanced twice, now 68% occupied. Merrill Lynch made good the losses of original bondholders.

*No longer in business. †Full amount credited to co-underwriters. ‡Includes participation in selling syndicate of $53 million Royal Regency project.

Sources: Bond Investors Association, bank trustees, dealers, Forbes.

In short, some projects were built more as an excuse for issuing bonds than on the basis of sound studies.

In some cases, construction costs were allowed to escalate out of control. In one such project, the Pataskala Country Manor in Licking County, Ohio, Buchanan raised $2.3 million through a 1985 tax-exempt bond issue. But all the money was gone before construction was completed.

In virtually all the cases, Buchanan and its partners routinely skimmed off so much money in upfront underwriting and related fees that there was little left to execute the project itself.

Take Buchanan's Sun Mesa Health Care Project outside Phoenix, Ariz. Less than $9 million of the original $15.5 million bond issue in 1984 was allotted for land and construction. Most of the rest was committed to fees, including more than $1.6 million, or 10%, to Buchanan itself. According to the prospectus, around $500,000 in fees was for marketing the units. But marketing was legally impossible—since the promotors never got the necessary state permit.

The now-defunct Atlanta office of May Zima & Co., a firm listed on dozens of failed retirement projects, came up with Sun Mesa's rosy feasibility study. According to May Zima's assumptions, Sun Mesa, which never opened, would be up to 90% occupied within three years of the bond issue. At the time, there were 3,254 units in other retirement homes already operating in the area and another 725 units under construction. All this was routinely mentioned in the prospectus, but most of Buchanan's bond buyers weren't the kind who read prospectuses.

Not satisfied with fat fees, Buchanan & Co. has found a way to profit from its failures by speculating in the defaulted issues. When projects fail, Buchanan's brokers, as market-makers, can buy back the bankrupt bonds at 20 cents to 40 cents on the dollar. At the same time Buchanan sometimes brings in a workout team to help revive the project.

Buchanan has had company in retirement underwriting. Merrill Lynch underwrote a $32 million, 292-unit Alabama retirement center that went bust nearly three years after the bonds were issued. To its credit, Merrill Lynch made good the losses. But less than 10% of the defaulted projects have been underwritten by major firms. The primary peddlers of these unrated high-yielding tax-exempts are regionally based muni dealers—like Buchanan—clearly unable and unwilling to make investors whole.

Buchanan & Co. is facing at least six lawsuits in four states. A court victory for investors could be hollow, however. Last year the firm lost $2.5 million, according to the Mississippi securities commissioner, and as of October 1987 was down to $418,000 in capital. It's a lesson that investors keep learning over again the hard way: Bonds that pay way above market interest rates may be no bargain. And just because something has a tax benefit doesn't mean that it's a good investment. ■

Spend more, the U.S. urges Japan. The Japanese are responding, but in ways that do the U.S. little good. They are gorging on gold, diamonds, jewelry.

Enjoy! Enjoy!

By Andrew Tanzer

TADAHIKO FUKAMI recalls with relish when the Tokyo stock market tested new heights last August. Waves of wealthy customers swarmed to his Yamazaki Co. stores, where many of them plopped down million-yen bundles of notes wrapped in the paper of Japanese securities companies.

Having sold stocks, what were they buying? Gold, platinum, diamonds and other precious metals and jewelry pieces. Annual sales at Fukami's Yamazaki have doubled (in yen terms) in five years, to $230 million. "People have become rich here," explains Fukami. "But they can't afford to buy land or houses, so they're buying jewelry instead."

Japan is entering a golden age. After sweating and sacrificing to rebuild their economy and supply themselves with modern life's basics, middle-class Japanese are now beginning to indulge themselves in life's luxuries, from mink coats and BMWs to precious metals and jewelry.

To catch some of the spending, trading companies such as Sumitomo Corp., Japan's biggest gold dealer, are

David Wade

Sumitomo Corp.'s Akio Imamura
"The government was too confident."

several paintings by the masters of 19th-century academic art, including work by Bouguereau, Alma-Tadema and Gérome.

Not surprisingly, Warhol owned scores of important paintings by such leading contemporary artists as Jasper Johns. Roy Lichtenstein and Robert Rauschenberg, and the work of such younger artists as Keith Haring and Jean-Michel Basquiat. Sotheby's will also be auctioning Warhol's extensive collection of 1940s jewelry by Cartier and Van Cleef & Arpels, 1940s and 1950s wristwatches by Cartier and Rolex, American Indian art and Japanese baskets.—**Ronald Bailey**

The living room of the late Andy Warhol's East Side town house

Sotheby's Art Market Trends

Index sectors	Dec 1987	One month ago	One year ago	Two years ago	Five years ago	One month % change	One year % change	Two year % change	Five years	
									% change	average annual % change
Old Master paintings	373	349	303	289	205	+6.9	+23.1	+29.1	+82.0	+12.7
19th-century European paintings	323	323	279	249	184	nil	+15.8	+29.7	+75.5	+11.9
Impressionist & Post-impressionist art	723	661	490	380	267	+9.4	+47.6	+90.3	+170.8	+22.0
Modern paintings (1900-1950)	757	666	512	364	245	+13.7	+47.9	+108.07	+209.0	+25.3
Contemporary art (1945 onward)	609	609	551	497	342	nil	+10.5	+22.5	+78.1	+12.2
American paintings (1800-pre-WWII)	871	789	698	667	450	+10.4	+24.8	+30.6	+93.6	+14.1
Continental ceramics	331	320	290	284	266	+3.4	+14.1	+16.5	+24.4	+ 4.5
Chinese ceramics	581	550	526	486	436	+5.6	+10.5	+19.5	+33.3	+ 5.9
English silver	381	381	343	306	189	nil	+11.1	+24.5	+101.6	+15.1
Continental silver	220	220	201	181	139	nil	+ 9.5	+21.5	+58.3	+ 9.6
American furniture	459	459	404	330	213	nil	+13.6	+39.1	+115.5	+16.6
French & Continental furniture	319	319	299	273	234	nil	+ 6.7	+16.8	+36.3	+ 6.4
English furniture	634	634	517	419	267	nil	+22.6	+51.3	+137.5	+18.9
Aggregate index*	512	482	403	344	252	+6.2	+27.0	+48.8	+103.2	+15.2

Basis: 1975 = 100 ($).

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*Contemporary art was added to the Art Index in September 1987. The aggregate index excludes this category prior to that date.

Sotheby's Art Market Trends reflect subjective analyses and opinions of Sotheby's art experts, based on auction sales and other information deemed relevant. Nothing in Sotheby's Art Market Trends is intended as investment advice or as a prediction or guarantee of future performance or otherwise.

Index highlights

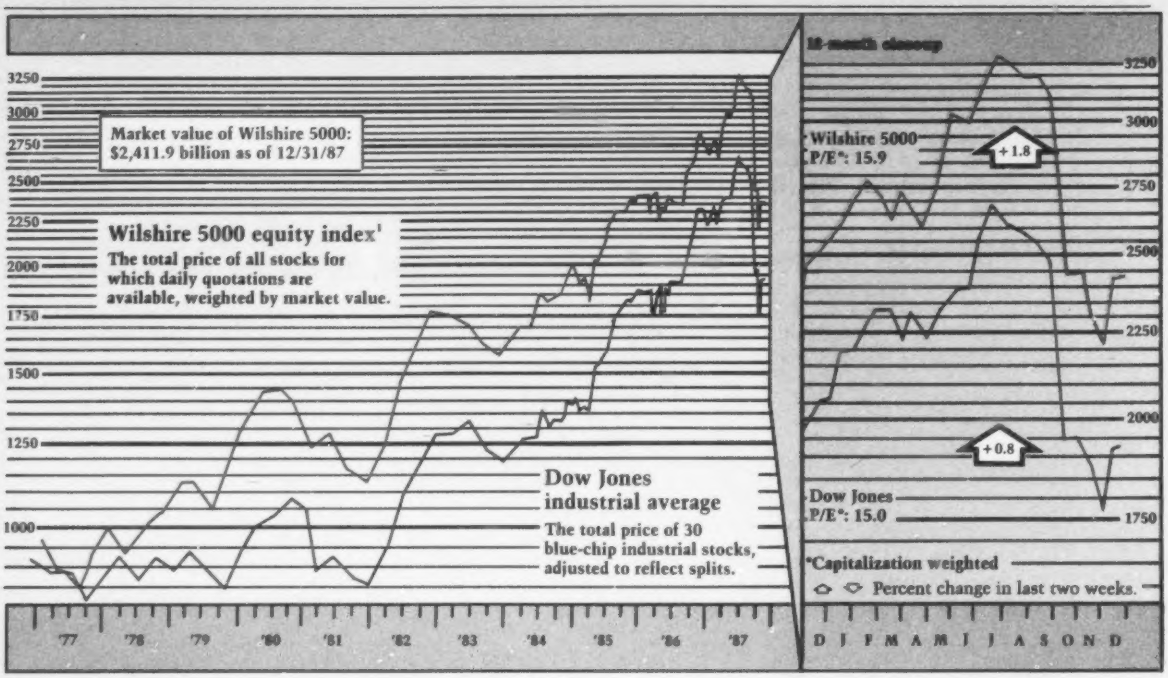
The New York sales of American paintings, which appeal almost exclusively to American collectors, were strong overall due to the excellent quality of art on offer. Many works rarely seen on the auction market were included, such as top-level paintings by Edward Hopper, Martin Johnson Heade and Georgia O'Keeffe, as well as sculpture by Elie Nadelman.

The hallmark of many of the sales in London was the presence of a two-tier market: demand was very strong for works of blue-chip quality but not as competitive for art of less than premier rank. At the major round of Impressionist and Modern paintings sales, for example, a record price of $13.6 million was set for the Degas painting "Les Blanchisseuses" and an important early work by Picasso, "Souvenir du Havre," established a new auction record for the artist—$7.6 million—while less important works by the same artist either sold within estimate or remained unsold. The strong upward movement in the Indices in these sectors owes something to the present weakness of the dollar, but there is considerable real growth in the underlying price structure in these fields.

Sales of Old Master paintings in London showed much the same pattern, with considerable competitive bidding on attractive, problem-free paintings that had not been on the market recently. Other works which had had wide market exposure in the recent past or which were considered unattractive proved more of a problem.

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



January in December. Wall Street lore has it that small stocks get pushed down by tax-loss selling in December but then surge in the first month of the new year. This time the so-called January effect came a little early. In the last two trading weeks of December, Amex and Nasdaq issues rose 3.7% and 3.4%, respectively. The overall market, as measured by the Wilshire index, gained only 1.8%.

Have small stocks already used up their potential January gains? Perhaps not. Even with their last-minute surge, secondary stocks finished the year behind primary issues. In 1987 Nasdaq stocks declined 5.3%, while Amex shares were off 1.1%. The Wilshire index lost only 0.7%, while the Dow 30 shows a 2.3% gain. At year-end 1986 the Dow's P/E against trailing earnings was 13.8, vs. 17.8 for the Wilshire index. At the end of last year the Dow P/E was 15, compared with 15.9 for the Wilshire index.

Closeup On the Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	9.3	8.8	9.1	8.8	10.1	10.6
in last 52 weeks	–0.7	0.1	2.3	–0.3	–1.1	–5.3

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	10.6	5.6	7.4	3.5	13.5	5.3	1.5	11.2	10.3	6.3	9.8	5.7
in last 52 weeks	2.1	10.6	17.0	6.3	–2.1	–6.9	–6.1	25.9	21.5	0.4	2.1	7.4

[1] Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2] Based on sales. [3] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

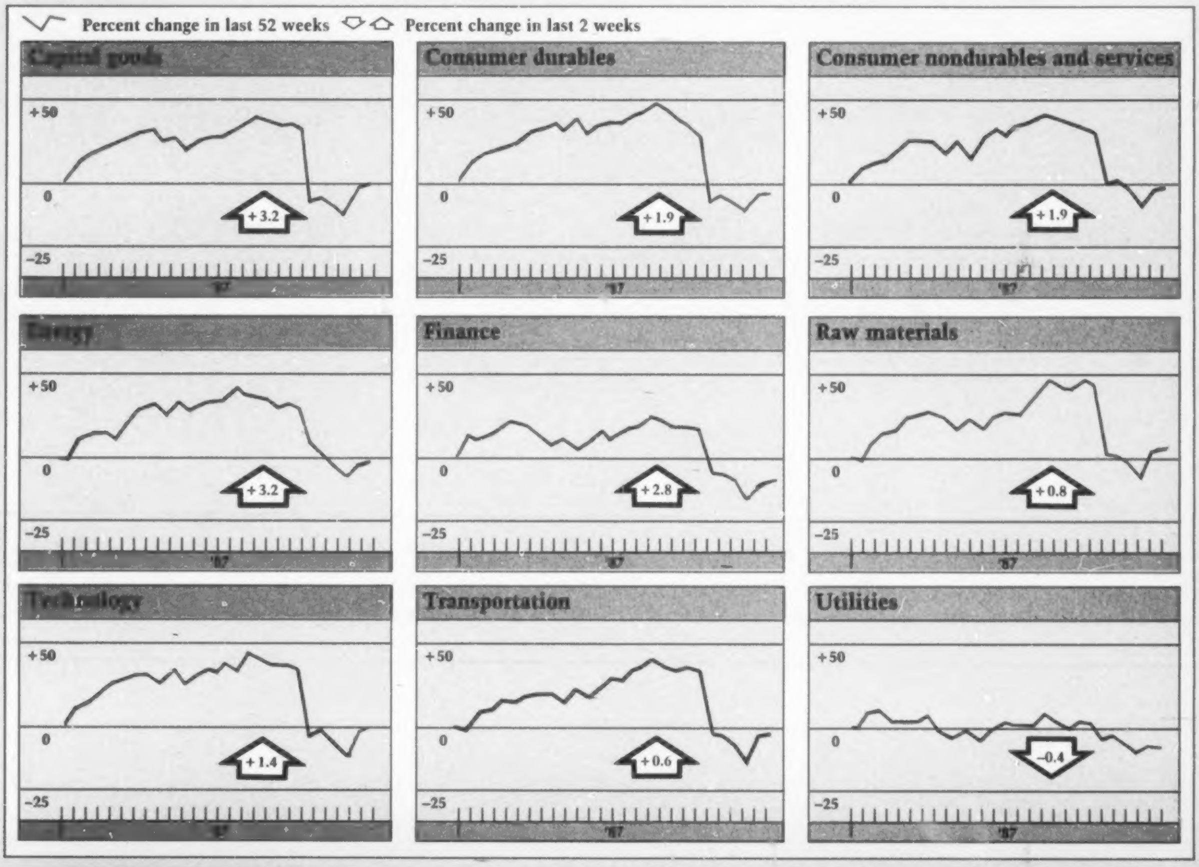
Shelley Dell

Note: All data for periods ending 12/31/87. Prepared by Wilshire Associates, Santa Monica, Calif.

Where the Action Is

Good-bye cheap oil? The early December oil price decline may not last: Quotes stabilized by year-end. In the last two weeks the energy group rose 3.2% and scored a first-place tie with capital goods. The best energy stock was Phillips Petroleum, which rose nearly 35% in two weeks. Laurence Tween, an oil analyst with Kidder, Peabody, notes, "Phillips rose on speculation that it might become a target for Pennzoil. With $3 billion in cash from Texaco, Pennzoil is reportedly looking to acquire additional reserves." Tween thinks that Phillips, recently trading at 14, has a breakup value of about $21 a share.

Energy was one of six sectors that beat the Wilshire index last year. A 15.8% drop in finance stocks and 8.6% drop in utility issues pulled down the overall market.



What the Analysts Think

Finance looks cheap—at first glance. Finance stocks are priced at only 6.7 times estimated 1988 earnings, while the Forbes Sales 500 has an estimated multiple of 10.1. But security analysts have been slashing their 1988 forecasts for the finance group. If this keeps up, the group may not be such a bargain.

Forecasting the Forbes Sales 500°

Performance period	Average earnings per share	P/E
latest 12 months	$2.41	15.0
1988 estimates	3.60	10.1
1989 estimates	NA	NA

NA: Not available

Rank based on change in estimate	Sector	Estimated 1987 EPS	Estimated 1987 P/E	% change in 1987 estimate in 2 weeks	% change in 1987 estimate in 4 weeks
1	Raw materials	$2.85	11.3	0.31%	0.75%
2	Utilities	3.06	9.1	–0.03	–0.29
3	Technology	2.94	11.1	–0.10	–0.57
4	Consumer nondurables	2.59	11.9	–0.26	–0.65
5	Energy	3.00	11.8	–0.28	–0.85
6	Capital goods	2.50	14.1	–0.90	–1.89
7	Transportation	2.53	11.4	–1.19	–3.47
8	Finance	3.69	6.7	–1.68	–2.95
9	Consumer durables	4.06	11.8	–1.87	–3.36

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continually by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 12/31/87. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

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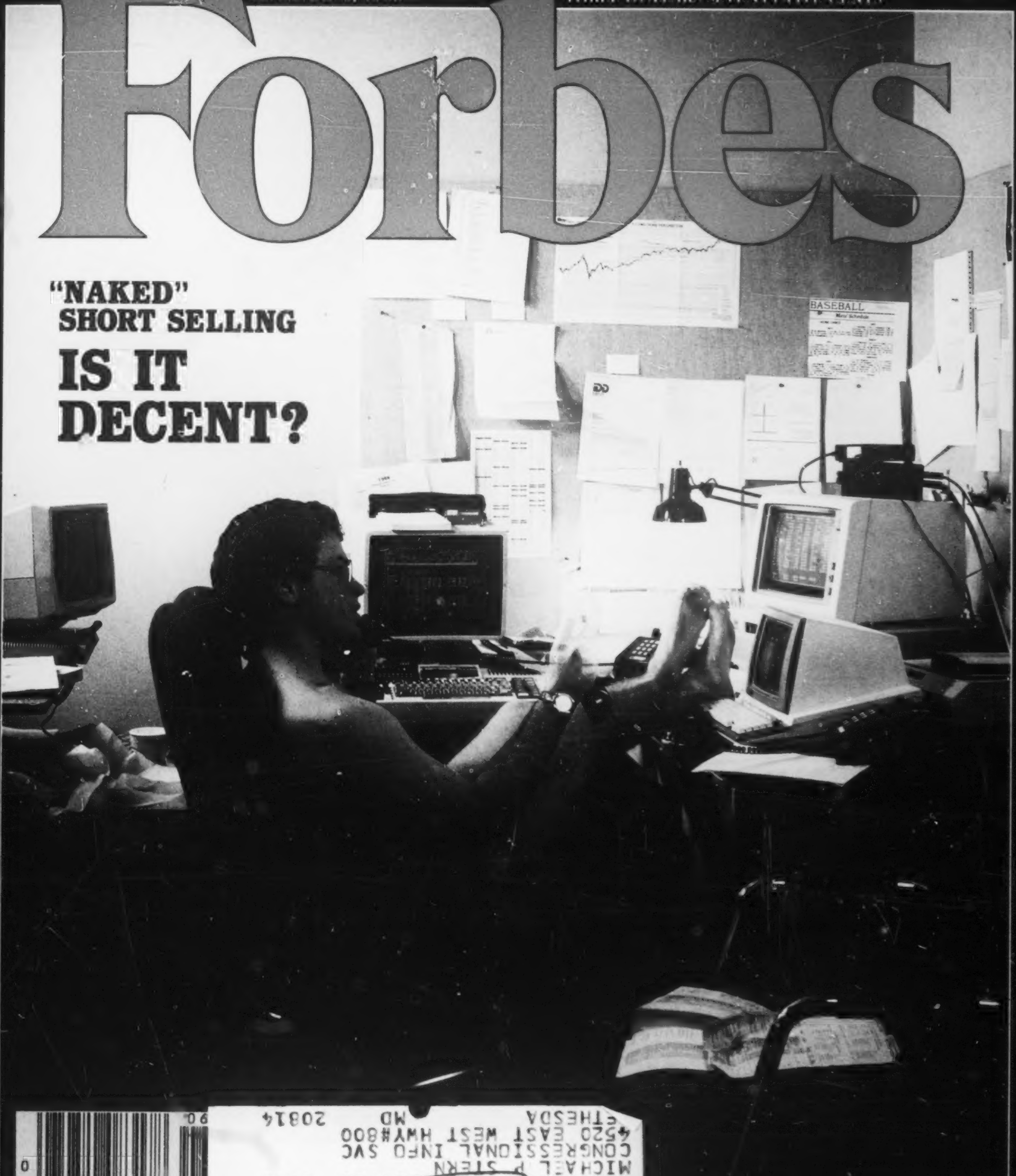
CAN THE U.S. REGAIN THE LEAD IN SPACE?

POSTCRA
FUND RATINGS

FEBRUARY 8, 1988

THREE DOLLARS SEVENTY FIVE CENTS

Forbes



"NAKED" SHORT SELLING
IS IT DECENT?

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MICHAEL P STERN
CONGRESSIONAL INFO SVC
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BETHESDA MD 20814

Forbes

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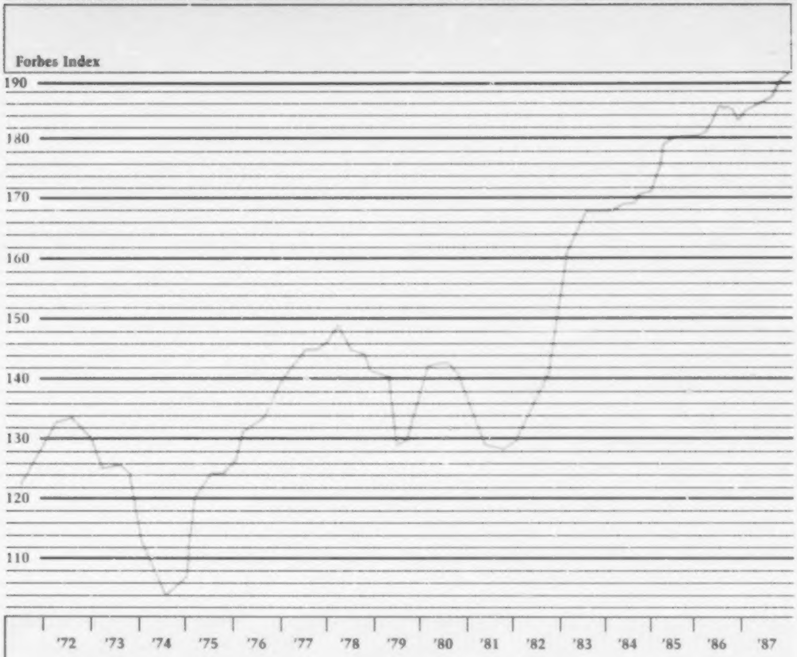
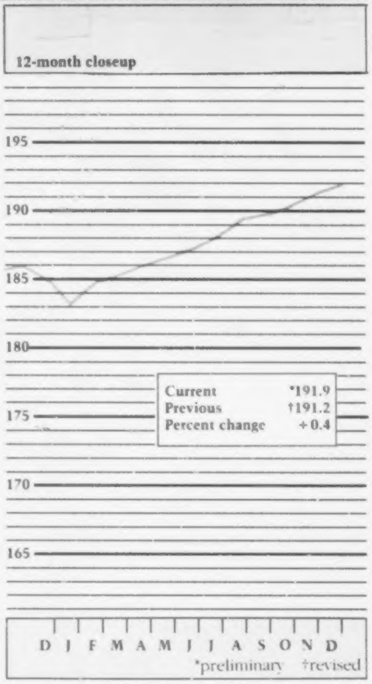
The Forbes Index





Current	*191.9
Previous	†191.2
Percent change	+0.4

*preliminary †revised

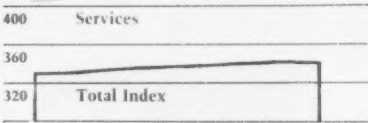
Steady as she goes. The economy appears to be holding up rather well. The holiday season wasn't spectacular but it wasn't the dud that some had predicted. Retail sales increased 0.7% in December, off 0.2% compared with December 1986. But the year-earlier period was distorted by a rush of last-minute auto sales prompted by scheduled changes in the 1987 tax code.

Industrial production rose 0.2% in December and finished the year with a 4.8% gain. The November figure for consumer installment credit showed a 0.4% increase. Preliminary results indicate a 0.4% gain in the Forbes Index in December.

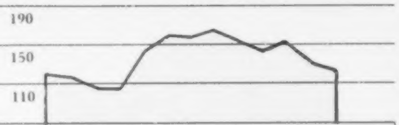
The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

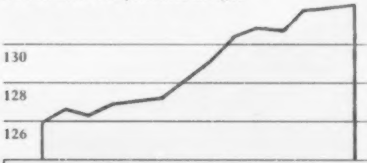
To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



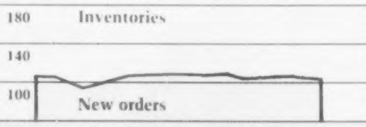
Consumer price indexes (1967 = 100)
all urban consumers, unadjusted (Dept. of Labor)



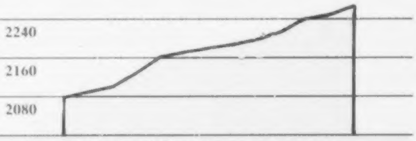
New housing starts (thousands)
privately owned, unadjusted (Dept. of Commerce)



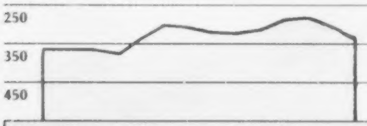
Industrial production index (1967 = 100)
seasonally adjusted (Federal Reserve)



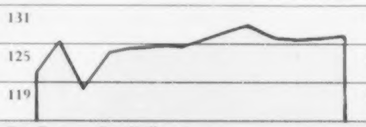
Manufacturers' new orders and inventories
($billions) seasonally (Dept. of Commerce)



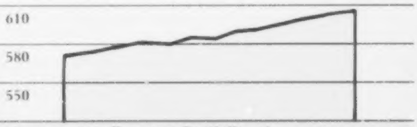
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)



Retail store sales ($billions)
seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions)
total, seasonally adjusted (Federal Reserve)

Numbers Game

When companies make stock buybacks, they call them investments. When the investments bomb, they call in accountants.

Losses? What losses?

By Penelope Wang

LAST SEPTEMBER, Hospital Corp. of America, fresh with cash from the sale of 103 acute-care facilities, decided to invest a portion of the proceeds in some of its own stock. Its board authorized a buyback of 12 million shares at $47 a share. HCA has spent $564 million to repurchase about 12 million shares, but after Black Monday the stock plunged. By year's end the shares stood at only 31⅛. So is HCA now out $190.5 million on its investment?

Common sense would answer with a resounding yes. But beyond common sense lurks the logic of accounting, and according to current accounting principles HCA didn't lose a penny on the buyback. Moreover, that's exactly what the company's annual report will reflect.

Call it the no-risk investment, a key reason buybacks have become the with-it new way to deploy shareholder money. In this era of stock market volatility, no other use of money offers firms the same opportunity to tell shareholders that they have made a terrific investment—without ever having to own up to the bad news if it turns sour. Says John Tighe, partner at the accounting firm of Deloitte Haskins & Sells, "You'd have to be a pretty sophisticated investor to figure out that a company lost money on its own stock."

Many of the 1,500 corporations that authorized buybacks in 1987 have since seen their stock prices drop below the purchase price. But investors won't see those losses in the financial statements. Why not? Because a 1938 securities rule, which effectively prevents firms from speculating in their own corporate stock, requires repurchased shares to be held as treasury stock or retired.

To account for a buyback, either the company's assets get reduced or its debt load gets raised by an amount equivalent to the cash used (or borrowed) to pay for the deal. Doing so reduces corporate equity. But the shares that are acquired in the process also disappear. "You're simply closing out a transaction that began when you issued the securities," says Peter Knutson, associate professor of accounting at the Wharton School. "There are no further losses to write down."

It's a different story when a company buys stock in another firm. Then, the corporation usually counts its equity holdings as long-term assets. If the stock goes down, those assets must be marked to market at the end of each reporting period. Moreover, if there are significant losses in that item, the firm must disclose the loss, often in a footnote. In 1986 the Williams Cos. lost $239.7 million, mainly because of a writedown of its long-term investments.

As a practical matter, the only real advantage arising from a buyback is to reduce the number of shares outstanding in the market. One reason for wanting to do so might be to help guard against a hostile takeover. That's what GenCorp., an aerospace concern, had in mind last spring when it paid $1.6 billion to acquire 12.5 million shares from the public at $130 a share, only to see the stock price eventually decline to 22½ by year's end anyway.

Alternatively, the purpose of a buyback might be simply to ginger up the stock. This could occur if a company's business generates more net income than the yield available on T bills, for example, or perhaps short-term certificates of deposit. In that case, earnings per share would go up and (presumably) the stock's price would subsequently rise.

Though buybacks, practically speaking, amount to little more than zero-sum games, such companies as ITT, Kraft and IBM now routinely refer to them instead as "investment opportunities" and "good buys." Says a spokesman for Burlington Industries, "We feel that our stock repurchases are an attractive investment and an excellent opportunity to build shareholder value." Burlington authorized the buyback of up to 5 million shares after the market crash.

And small wonder it did so, since current accounting rules offer so few useful clues that buybacks can just as easily be a waste of money as a clever use of it. Says Jerry Castellini, vice president at Kemper Financial Services: "Anytime you make an investment with corporate assets and lose money, it's a loss to shareholders and poor use of corporate capital." Shouldn't accounting rules reveal this important truth, rather than help obscure it? ■

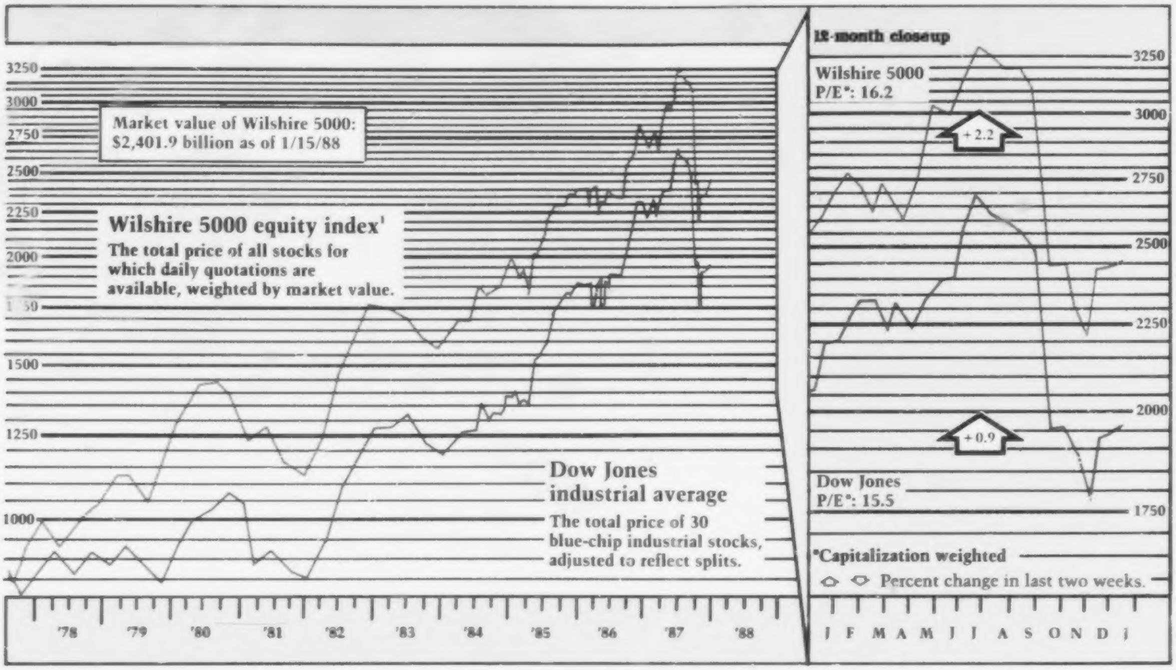
Seven buyback losers

Company	Date buyback anncd	Price on day before anncd	Shares bought back (millions)	Dec. 31 price	"Losses"* ($millions)
Allied-Signal	9/25†	44½	27.4	28¾	$289.3
ITT	4/7	63	8.0	45	40.0
Hospital Corp of Amer	9/17	47††	12.0	31⅛	190.5
Kraft	10/1	57¼	2.8	48	26.0‡
IBM	2/24†	[illegible]	19.0**	116⅜	288.9**
GenCorp	4/6	130††	12.5	22½	1,118.8
Merck	7/28	184½	5.7	158⅞	94.4

*Based on latest reported purchase price. †Several buyback plans in effect. ††Self-tender. ‡Estimate.
**Includes 1986 repurchases.

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



The old new volatility. Encouraging news on the November trade deficit figures sparked a 40-point jump in the Dow on Friday, Jan. 15, the last day of the two-week trading period under review here. So despite the sharp plunge one week earlier, the Dow ended the two-week stretch with a 0.9% gain. Meanwhile NYSE issues advanced 2.1%, Amex 3.1% and Nasdaq 2.9%. The Wilshire index of more than 5,700 issues posted a 2.2% increase.

This market's volatility is astonishing, but we seem to be getting used to it. The first four days of 1988 saw a rally that brought the Dow industrials to 2051, their highest point since the October meltdown. Then came heavy selling attributed to profit-taking and worries about the dollar. The resulting 141-point loss on the Dow was the third worst on record and left many market observers drawing parallels with the Friday collapse that preceded the Oct. 19 debacle. The fact that it didn't happen is a comfort, but nothing to build the immediate future on.

Closeup On the Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	4.2	3.8	1.6	3.8	6.8	6.5
in last 52 weeks	–7.8	–6.6	–5.8	–7.3	–7.7	–12.8

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	4.8	15.6	17.1	8.0	8.8	9.5	6.0	13.9	15.9	6.1	4.7	17.2
in last 52 weeks	–5.4	8.5	10.8	3.9	–9.6	–9.3	–8.8	18.3	12.9	–4.1	–4.8	6.0

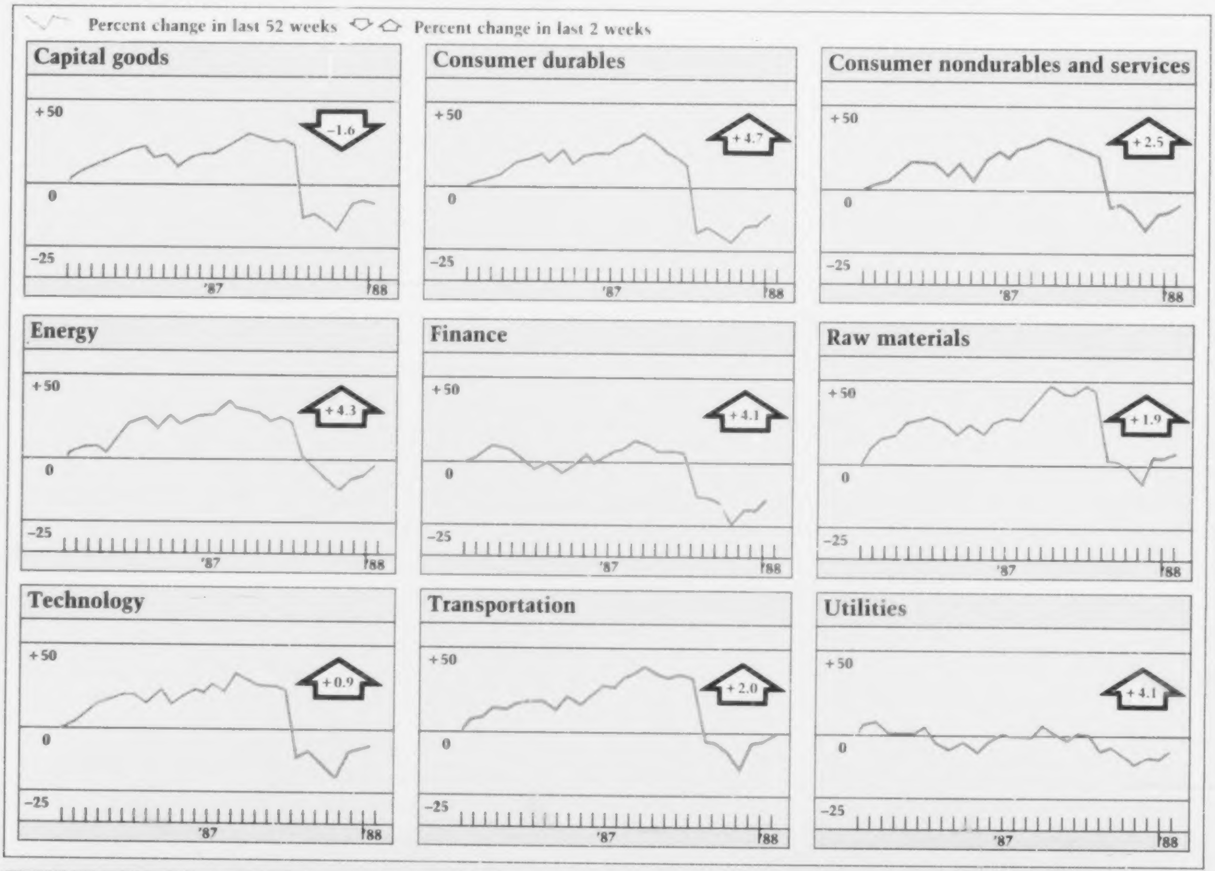
[1] Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2] Based on sales. [3] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 1/15/88. Prepared by Wilshire Associates, Santa Monica, Calif.

Where the Action Is

The contrarians are watching. Finance stocks outperformed the market by almost a 2-to-1 margin in the last two weeks. Best performer: Farmers Group, which gained 38% on a buyout offer from B.A.T Industries. Four major banks—Barnett Banks of Florida, NCNB, Irving Bank and Security Pacific—followed with gains in the midteens.

Chalk it up to contrarian sentiment. With Wall Street still making the biggest cuts in 1988 earnings estimates for finance companies, the estimated 1988 P/E for this group is down to 7, vs. 10.3 for the Forbes Sales 500 *(see table below)*. Over the last 52 weeks finance stocks, plagued by loan writeoffs, lost nearly a fifth of their value. The decline in finance was almost twice that of utilities, the second-worst-performing sector.



What the Analysts Think

The buck hops here. In the last two weeks security analysts made slight upward revisions in the 1988 earnings estimates for domestic capital goods and consumer durable firms—presumed beneficiaries of the cheaper dollar. Among companies with higher forecasts: Deere & Co., Caterpillar, Ford Motor and B.F. Goodrich.

Forecasting the Forbes Sales 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.39	15.4
1988 estimates	3.57	10.3
1989 estimates	NA	NA

NA: Not available

Rank based on change in estimate	Sector	Estimated 1987 EPS	Estimated 1987 P/E	% change in 1987 estimate in 2 weeks	% change in 1987 estimate in 4 weeks
1	Capital goods	$2.51	14.5	0.35%	–0.55%
2	Consumer durables	4.23	11.4	0.26	–1.65
3	Raw materials	2.85	11.1	0.16	0.4
4	Utilities	3.06	9.5	–0.09	–0.12
5	Technology	2.93	11.2	–0.18	–0.28
6	Consumer nondurabless	2.57	12.3	–0.27	–0.53
7	Transportation	2.53	11.6	–0.35	–1.53
8	Energy	2.98	12.1	–0.46	–0.74
9	Finance	3.66	7.0	–0.75	–2.42

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continually by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 1/15/88. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

Some funds with terrific long-term records haven't earned very much money for their customers. How is that possible?

Bad timing

By William Baldwin

IF YOU COULD PICK funds with hindsight, one excellent choice for Dec. 31, 1977 would be Twentieth Century Income Investors. A tiny ($1.6 million) fund in those days, it owned smallish companies like Kinder-Care, Community Psychiatric, Herman Miller and WD-40. Those stocks took off and the fund, renamed Twentieth Century Select, delivered an average annual gain of 24.3% over the next ten years, nine points ahead of the S&P 500. The fund's assets at Dec. 31, 1987: $2.4 billion.

The fund's explosive success has made its chief stock picker, James Stowers, a wealthy man. The management firm of which he is a majority owner took in $27 million in fees in its last fiscal year on that one fund. But did the fund make its clients wealthy? Not the latecomers. Assets remained fairly low in the first half of the ten-year period, when Stowers was soundly beating the market. Most customers arrived in the past five years, just in time to watch the fund's performance turn mediocre.

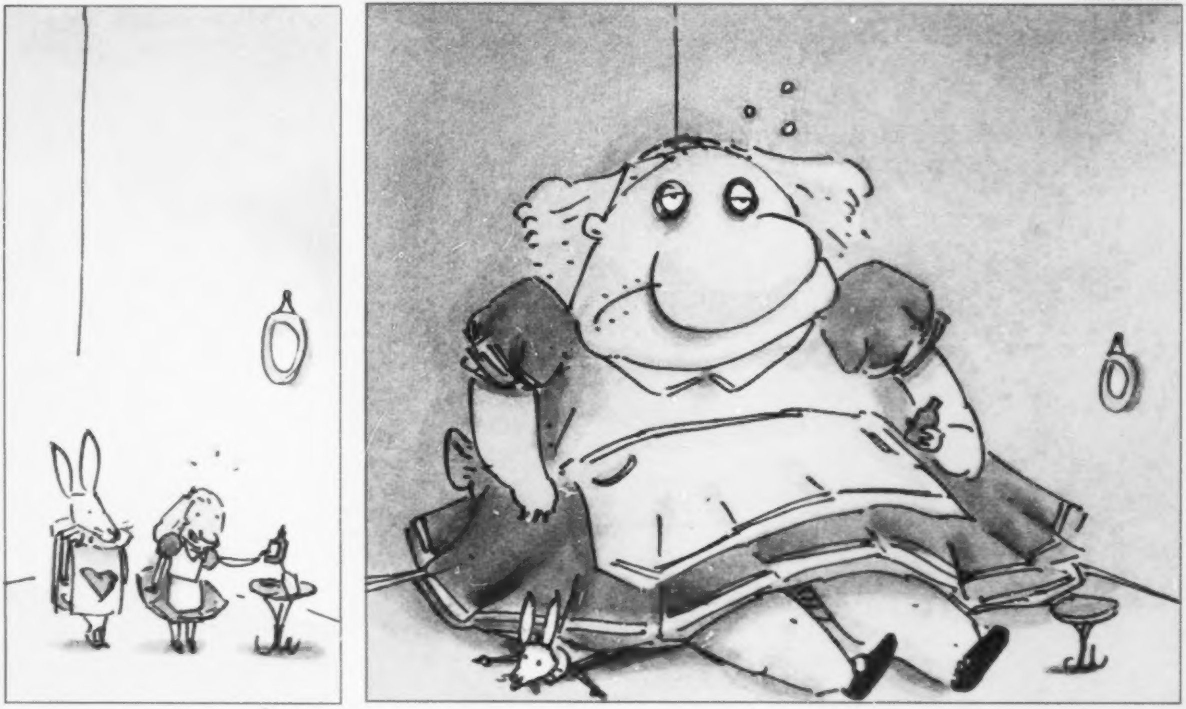
You can't buy past performance, goes the old adage. Indeed you can't buy it. But people sell it all the time. Who could turn away $27 million in fees?

Such cycles of boom and blah are commonplace in the fund business. A small growth manager puts together a dazzling record, the money rolls in, then his performance cools. Stowers made his reputation in small growth companies. But a thousandfold growth in assets made Select too big to benefit from a position in small companies. Now its portfolio is heavy with Merck, Kodak and Motorola.

Stowers thinks his growth stocks—even big ones—will soon be beating the market again. "We're looking for the most successful companies, [those whose] earnings and revenues are accelerating," he says. Maybe so, but investors should realize that the Select they are buying today isn't the same Select that built a superb record.

Johnny-come-lately investors in Stowers' fund have plenty of company. The best fund record of all over the past decade belongs to Fidelity Magellan. If you had bought this obscure ($22 million) fund in December 1977—six months after Peter Lynch took over—you'd be sitting on a fabulous 31% annual return now, double the market average. But you couldn't have bought it then. From 1966 to mid-1981 the fund was closed to everyone but Fidelity employees establishing profit-sharing accounts.

Peter Lynch is perhaps the most famous fund manager alive. On the strength of his reputation, Fidelity Management & Research sold almost $1.3 billion in Magellan shares in just six months last year (to Sept. 30). That figure



Patrick McDonnell

Growth funds

Two of these—Magellan and Select—have grown explosively in the past decade, with a 25,000% or greater gain in assets under management. The same two did much better when they were small than when they got big. That is reflected in the wide gulf between time-weighted and dollar-weighted performance *(see story).*

Fund	Assets[1] ($mil)	—Annual return[2]— time-weighted	dollar-weighted	Relative —performance[3]— 1977-82	1982-87
Fidelity Magellan	$7,796	31.0%	13.4%	306	118
20th Century Select	2,393	24.3	11.5	222	96
Sequoia[4]	716	19.2	18.5	129	109
Vanguard Windsor[4]	4,570	18.9	18.5	120	114
S&P 500		15.3			

[1]Dec. 31, 1987. [2]Dec. 31, 1977–Dec. 31, 1987. [3]S&P 500 = 100. [4]Closed to new investors

counts only sales on which the 3% load was collected (the load is sometimes waived for such clients as large thrift plans). That was $38 million in sales commissions. During those six months the giant fund, which had its assets go as high as $12 billion before the crash, threw off another $40.7 million in management fees.

So Peter Lynch has made big money for his employer. Has Peter Lynch made big money for fund investors? To answer that question we turned to a statistic used by pension consultants, the so-called dollar-weighted performance. This average gives greater weight to months in which the manager has more money to manage. It contrasts with the much more common time-weighted average, in which all months count equally.

Here's how the dollar-weighted average works. Think of Magellan as a bank account paying a fixed, but unknown, rate of interest. The depositor is the investing public. The public opens the account with $22 million, the net assets on Dec. 31, 1977. Each month the public makes a deposit or withdrawal, a known sum calculated from sales and redemptions of Magellan shares. What annual interest rate would the public have earned every year to end with Magellan's $7.8 billion of net assets on Dec. 31, 1987?

Magellan's dollar-weighted performance over the decade is an astonishingly low number, 13.4%. Who's to blame? Not Lynch. It wasn't his doing that he had only $22 million to play with in his best years, $10 billion going into the crash. The fault is the investing public's, with its typically ill-timed rush into the market after the party was mostly over.

The moral here is not that funds with hot records are hazardous. If the small investor was going to make the mistake of doing most of his buying in the past five years (and most did just that), he was better off in Magellan than he would have been buying an index fund tracking the S&P. But still, he'd have averaged a better return putting a lump sum into an index fund ten years ago than he would have investing in Magellan with the timing of the typical Magellan customer, bunching most dollars toward the end.

Time-weighted performance remains the standard by which money managers should be judged, and it is the basis for the performance grades in the tables that begin below. We judge stockpicking skills, not investment results. And while past performance is no guarantee of the future, it is the best measure of skill we have.

There is, nonetheless, an important lesson to be learned from the sometimes wide gulf between dollar-weighted and time-weighted performance figures. It is better to buy even a mediocre fund, and stick with it for the long pull, than to buy into a top-scoring fund and exit right after a crash. The $1 billion or more of Magellan owners who left following the crash probably made a big mistake. ■

Stock and balanced funds

This table rates 379 equity funds having at least $10 million in assets on their performance through Dec. 31, 1987. Domestic stock funds, domestic balanced funds and foreign stock funds, although listed together, were evaluated and ranked separately. To be rated, a fund must go back at least two full market cycles—to July 31, 1982. Funds that have been around since Feb. 28, 1978 are graded over three market cycles. The last cycle comprises an up from July 31, 1984 to Aug. 31, 1987, and a down from Aug. 31, 1987 to Dec. 31, 1987.

Fund	Performance in UP —markets—	DOWN	12-month total return
ABT Growth & Income Trust	B	D	3.8%
ABT Utility Income Fund	D	A	–4.0
***Acorn Fund**	B	C	2.8
Adams Express	C	B	–0.5
Affiliated Fund	B	B	3.8
***Afuture Fund**	D	C	–11.4
Aim Convertible Securities	D	D	–15.5
Alliance Balanced Shares	B	B	0.4
Alliance Dividend Shares	C	B	0.8
Alliance Fund	C	D	5.2
†Alliance Global Fund-Canadian Fund	F	B	11.7

Fund	Performance in UP —markets—	DOWN	12-month total return
Alliance Technology Fund	A	D	18.6%
AMA Growth Fund-Classic Growth	D	D	–1.8
Amcap Fund	B	B	11.7
American Balanced Fund	C	B	3.8
American Capital Comstock Fund	C	A	–0.2
American Capital Convertible Securities	A	D	–14.7
American Capital Enterprise Fund	A	D	1.1
American Capital Harbor Fund	A	D	–3.8
American Capital Pace Fund	B	A	1.6
American Capital Venture Fund	D	A	4.0
American Growth Fund	D	B	3.5

*Fund has no load or shareholder-paid 12b-1 plan. †Foreign funds were rated over up market periods from 10/31/76 to 10/31/80 and 9/30/82 to 8/31/87 and down market periods from 10/31/80 to 9/30/82 and 8/31/87 to 12/31/87. Foreign market cycles were measured with the dollar-adjusted Morgan Stanley Capital International EAFE (Europe Australia Far East) Index.

Sources: CDA Investment Technologies; Forbes.

Fund Ratings

Stock & balanced funds

Fund	Performance in UP markets	Performance in DOWN markets	12-month total return
American Investors Growth Fund	C	F	–2.2%
American Leaders Fund	D	A	4.7
American Mutual Fund	D	A	4.6
American National Growth Fund	B	C	13.3
American National Income Fund	D	A	3.8
AMEV Capital Fund	A	B	2.4
AMEV Fiduciary Fund	A	C	0.3
AMEV Growth Fund	A	C	–0.1
*Analytic Optioned Equity Fund	D	A	4.3
*Armstrong Associates	C	C	4.1
†ASA Limited	A	D	11.2
Axe-Houghton Fund B	B	D	–3.2
Axe-Houghton Stock Fund	A	F	–5.8
*Babson Growth Fund	C	D	3.1
Baker, Fentress & Co	B	C	1.4
Bancroft Convertible Fund	B	D	1.5
Boston Co Capital Appreciation Fund	C	C	0.4
Bull & Bear Capital Growth Fund	B	D	–4.3
Bull & Bear Equity-Income Fund	D	B	–4.7
Cardinal Fund	C	B	2.3
Castle Convertible Fund	D	B	–7.4
Central Securities	B	C	7.6
*Century Shares Trust	D	A	–8.0
Charter Fund	B	B	10.0
Cigna Growth Fund	C	C	3.9
Claremont Capital	B	A	6.4
Colonial Equity Income Trust	C	B	–2.9
Colonial Fund	B	D	–0.9
Colonial Growth Shares Trust	B	C	2.8
Colonial Strategic Income-Diversified	D	B	4.8
*Columbia Growth Fund	B	C	15.9
Commonwealth Indenture A & B	D	A	–1.3
Commonwealth Indenture C	D	A	0.6
Composite Bond & Stock Fund	C	C	–1.2
Composite Growth Fund	C	B	–0.7
Constellation Growth Fund	A+	F	1.9
*Copley Fund	D	A	–8.3
Corp Leaders Tr Fund Certificates Ser B	B	C	–7.1
Country Capital Growth Fund	C	C	5.2
Criterion Income-Commerce Inc Shares	C	B	7.9
Criterion Pilot Fund[1]	C	C	10.5
Criterion Sunbelt Growth Fund	C	C	1.4
Dean Witter American Value Fund	B	C	2.7
Dean Witter Dividend Growth Secs	C	A	–0.6
Dean Witter Natural Resource Dev	D	C	12.0

Fund	Performance in UP markets	Performance in DOWN markets	12-month total return
Decatur Fund-Series I	C	A	2.4%
Delaware Fund	C	B	–4.3
Delta Trend Fund	C	C	–7.8
*Dodge & Cox Balanced Fund	A	C	7.7
*Dodge & Cox Stock Fund	A	B	12.5
Drexel Burnham Fund	C	B	7.0
*Dreyfus Convertible Securities Fund	C	D	–2.7
*Dreyfus Fund	D	B	8.5
*Dreyfus Growth Opportunity Fund	A	D	6.4
Dreyfus Leverage Fund	B	B	11.0
*Dreyfus Third Century Fund	B	D	2.4
Eaton & Howard Stock Fund	D	B	–3.5
Eaton Vance Growth Fund	B	B	10.9
Eaton Vance Income Fund of Boston	D	A	3.4
Eaton Vance Investors Fund	C	C	5.2
Eaton Vance Special Equities Fund	D	B	2.0
Eaton Vance Total Return Trust	C	A	–15.7
*Energy Fund	C	C	0.6
Engex	A+	F	–39.3
Enterprise Group-Growth[2]	C	B	11.5
*Equity Strategies Fund	C	D	–16.2
*Evergreen Fund	A	C	–3.9
*Evergreen Total Return Fund	C	A	–8.3
Fairfield Fund	A	D	–2.9
*Fairmont Fund	B	B	–7.7
FBL Series Fund-Growth[3]	D	C	–11.3
*Federated Stock & Bond Fund	D	A	3.6
*Federated Stock Trust	B	A	1.7
*Fidelity Contrafund	B	D	–2.1
*Fidelity Destiny Portfolio I	A	B	6.5
Fidelity Equity-Income Fund	C	A	–1.5
*Fidelity Fund	C	B	3.1
Fidelity Magellan Fund	A+	B	0.8
*Fidelity Puritan Fund	D	A	–1.9
Fidelity Select-Energy	D	C	–1.7
Fidelity Select-Financial Services	A	B	–16.6
Fidelity Select-Health Care	A	D	–0.7
Fidelity Select-Prec Metals & Minerals	B	C	37.5
Fidelity Select-Technology	C	D	–11.9
Fidelity Select-Utilities	D	A	–9.3
*Fidelity Trend Fund	B	D	–3.3
*Fidelity Value Fund	B	C	–8.6
*Fiduciary Capital Growth Fund	D	C	–8.9
*Financial Dynamics Fund	C	D	–3.5
*Financial Industrial Fund	C	C	0.0

*Fund has no load or shareholder-paid 12b-1 plan. †Foreign funds were rated over up market periods from 10/31/76 to 10/31/80 and 9/30/82 to 8/31/87 and down market periods from 10/31/80 to 9/30/82 and 8/31/87 to 12/31/87. Foreign market cycles were measured with the dollar-adjusted Morgan Stanley Capital International EAFE (Europe Australia Far East) Index. [1]Formerly Pilot Fund. [2]Formerly Alpha Fund. [3]Formerly Farm Bureau Growth Fund.

Sources: CDA Investment Technologies; Forbes.

Fund Ratings

Stock & balanced funds

Fund	Performance in		12-month total return
	UP	DOWN	
	markets		
*Financial Industrial Income Fund	D	B	4.9%
First Investors Discovery Fund	D	D	–19.1
First Investors Fund for Growth	D	F	–8.4
First Investors Natural Resources	F	D	20.8
First Investors Option Fund	F	A	–2.5
44 Wall Street Equity Fund	C	F	–41.9
*44 Wall Street Fund	D	F	–34.6
Founders Equity Income Fund	D	A+	1.9
Founders Growth Fund	A	C	11.7
Founders Mutual Fund	C	C	2.4
*Founders Special Fund	A	D	5.3
FPA Capital Fund	C	C	10.9
FPA Paramount Fund	D	A	21.4
Franklin Dynatech Fund	C	C	13.7
Franklin Equity Fund	B	C	–0.9
†Franklin Gold Fund	B	D	51.0
Franklin Growth Fund	C	B	20.1
Franklin Income	C	A	3.8
Franklin Option Fund	D	B	2.3
Franklin Utilities Fund	F	A+	–5.5
Fund of America	C	B	8.1
Fund of the Southwest	C	D	–3.8
Fundamental Investors	B	B	3.9
*Gateway Option Income Fund	F	A	–5.7
General American Investors	A	D	–10.0
*General Securities	D	B	1.9
Gintel ERISA Fund	D	A	–1.1
Gintel Fund	D	C	–14.2
Golconda Investors	C	D	30.3
Greenway Fund	B	D	–3.3
Growth Fund of America	A	B	8.6
*Growth Industry Shares	C	C	6.7
*Guardian Mutual Fund	B	C	–0.5
Guardian Park Ave Fund	B	B	2.9
John Hancock Growth Trust	A	D	5.9
*Hartwell Emerging Growth[1]	A+	F	8.2
*Hartwell Growth Fund	A+	D	23.3
Hutton Investment-Growth	C	A	15.7
*IAI Regional Fund	A	B	5.2
*IAI Stock Fund	C	B	15.4
IDS Discovery Fund	C	D	–10.2
IDS Equity Plus	B	C	10.3
IDS Growth Fund	A+	D	–0.7
IDS Mutual	C	B	5.9
IDS New Dimensions Fund	A	B	15.3

Fund	Performance in		12-month total return
	UP	DOWN	
	markets		
IDS Progressive Fund	C	B	1.8%
IDS Stock Fund	D	B	9.6
Income Fund of America	D	A+	0.9
Interstate Capital Growth Fund	F	D	–1.7
Investment Company of America	B	B	4.8
Investment Trust of Boston	C	D	0.5
Investors Research Fund	A	D	10.7
IRI Stock Fund	B	B	5.4
ISI Growth Fund	F	A	0.2
ISI Trust Fund	F	A+	4.3
*Ivy Growth Fund	C	A	–1.8
*Janus Investment Fund	C	A	3.9
†Japan Fund[2]	C	A	31.1
JP Growth Fund	D	B	0.1
Kemper Growth Fund	A	D	8.3
Kemper Option Income Fund	F	A	–7.9
Kemper Summit Fund	A	D	2.5
Kemper Total Return Fund	A+	F	–2.1
Keystone Custodian K-1	D	C	3.6
Keystone Custodian K-2	B	D	–1.6
Keystone Custodian S-1	C	C	5.5
Keystone Custodian S-3	B	D	5.9
Keystone Custodian S-4	A	F	–5.9
†Keystone International Fund	D	B	9.0
†Keystone Precious Metals Holdings	B	F	42.5
†Kleinwort Benson Transatlantic Growth	C	D	9.1
Lehman Capital Fund	A	B	1.8
Lehman Corp	B	C	1.3
Lehman Investors Fund	C	B	0.3
*Lehman Opportunity Fund	B	B	4.5
Lepercq-Istel Fund	D	C	2.3
*Leverage Fund of Boston	B	F	–6.2
Lexington Goldfund	A	C	46.3
Lexington Growth Fund	B	D	0.0
Lexington Research Fund	C	C	0.0
*Lindner Fund	D	A+	8.8
*Loomis-Sayles Capital Develop Fund	A+	B	15.1
*Loomis-Sayles Mutual Fund	A	B	13.7
Lord Abbett Developing Growth	C	D	0.8
*Mairs & Power Growth Fund	C	C	–2.7
Manhattan Fund	A	C	0.4
*Horace Mann Growth Fund	C	C	5.8
Mass Capital Development Fund	A	C	3.9
Mass Financial Development Fund	A	D	5.4
Mass Financial Emerging Growth Trust	A	D	–10.2

*Fund has no load or shareholder paid 12b-1 plan. †Foreign funds were rated over up market periods from 10/31/76 to 10/31/80 and 9/30/82 to 8/31/87 and down market periods from 10/31/80 to 9/30/82 and 8/31/87 to 12/31/87. Foreign market cycles were measured with the dollar-adjusted Morgan Stanley Capital International EAFE (Europe Australia Far East) Index. [1] Formerly Hartwell Leverage Fund. [2] One percent redemption fee will be discontinued Feb 14, 1988.

Sources: CDA Investment Technologies; Forbes.

Fund Ratings

Stock & balanced funds

Fund	Performance in UP markets	Performance in DOWN markets	12-month total return
Mass Financial Total Return Trust	B	C	3.5%
Mass Investors Growth Stock Fund	B	C	5.7
Mass Investors Trust	B	C	7.5
*Mathers Fund	B	B	26.2
Medical Technology Fund	A	D	-1.9
Meeschaert Capital Accumulation	D	B	-0.7
Merrill Lynch Basic Value Fund	C	B	4.2
Merrill Lynch Capital Fund	C	A	4.3
Merrill Lynch Equi-Bond I Fund	D	B	5.7
Merrill Lynch Special Value	D	D	-18.6
MidAmerica High Growth Fund	D	B	8.6
MidAmerica Mutual Fund	D	A	8.3
Mutual Benefit Fund	C	B	-4.5
Mutual of Omaha Growth Fund	D	C	-3.4
Mutual of Omaha Income Fund	F	A	6.8
*Mutual Qualified Income Fund	C	A+	7.5
*Mutual Shares Corp	D	A	6.2
National Aviation & Technology	C	D	-12.3
National Growth Fund	D	D	-13.4
*National Industries Fund	D	C	11.2
National Stock Fund	D	B	-3.6
National Total Income Fund	C	B	1.9
National Total Return Fund	B	C	-2.2
Nationwide Fund	D	B	2.5
Nationwide Growth Fund	C	B	2.7
Nautilus Fund	D	D	-14.8
Neuwirth Fund	B	D	-10.2
New England Equity Income Fund	D	A	0.5
New England Growth Fund	A	A	18.1
New England Retirement Equity Fund	B	A	10.6
†New Perspective Fund	D	A	12.8
New York Venture Fund	A	C	-0.2
Newton Growth Fund	B	D	-3.6
Niagara Share Corp	A	D	-4.8
*Nicholas Fund	B	A	-1.3
*Northeast Investors Growth	A	C	-3.2
Nova Fund	C	C	5.8
Omega Fund	B	D	7.8
One Hundred Fund	C	C	17.7
Oppenheimer Directors Fund	B	D	-3.7
Oppenheimer Equity Income Fund	C	B	9.3
Oppenheimer Fund	B	D	-1.9
†Oppenheimer Global Fund	B	C	-2.2
Oppenheimer Premium Income	F	A+	45.3
Oppenheimer Special Fund	D	C	-9.1
Oppenheimer Target Fund	B	D	-17.5%
Oppenheimer Time Fund	A	C	8.4
Oppenheimer Total Return Fund	C	C	12.6
Over-the-Counter Securities Fund	C	C	-13.1
Partners Fund	B	A	4.2
Pax World Fund	C	D	2.2
*Penn Square Mutual Fund	D	B	4.9
*Pennsylvania Mutual Fund	C	B	1.4
Petroleum & Resources Corp	B	D	3.2
Philadelphia Fund	D	C	3.7
Phoenix Balanced Fund	B	C	9.7
Phoenix Convertible Fund	D	A+	10.6
Phoenix Growth Fund	B	A	11.4
Phoenix Stock Fund	A	B	11.3
Phoenix Total Return	D	B	11.1
Pilgrim MagnaCap Fund	C	A	0.7
Pine Street Fund	C	C	-5.1
Pioneer Fund	B	C	4.9
Pioneer II	B	C	-0.4
*T Rowe Price Growth Stock Fund	C	D	3.3
*T Rowe Price New Era Fund	A	D	17.5
*T Rowe Price New Horizons Fund	B	D	-7.3
Princor Capital Accumulation Fund	C	A	6.1
Princor Growth Fund	B	D	3.0
Provident Fund for Income	D	B	1.6
Prudential-Bache Equity Fund	B	B	1.3
Prudential-Bache Growth Opportunity	B	D	-8.5
Prudential-Bache Utility Fund	D	A	-8.7
Putnam Convertible Income-Growth	D	B	-5.8
Putnam Energy-Resources Trust	D	F	8.8
Putnam Fund for Growth & Income	C	B	1.1
George Putnam Fund of Boston	B	C	3.7
Putnam Health Sciences Trust	A	C	6.3
†Putnam International Equities Fund	B	C	7.2
Putnam Investors Fund	B	C	0.9
Putnam Option Income Trust	D	B	-6.5
Putnam Vista Basic Value	A	B	5.2
Putnam Voyager Fund	A	D	10.6
*Quasar Associates	A+	D	1.4
*Quest for Value Fund	C	A+	-2.1
Rochester Tax Managed Fund	F	B	-9.9
*Safeco Equity Fund	C	D	-4.4
*Safeco Growth Fund	C	C	7.4
*Safeco Income Fund	D	A	-6.2
*Scudder Capital Growth Fund	B	C	-0.8

*Fund has no load or shareholder-paid 12b-1 plan. †Foreign funds were rated over up market periods from 10/31/76 to 10/31/80 and 9/30/82 to 8/31/87 and down market periods from 10/31/80 to 9/30/82 and 8/31/87 to 12/31/87. Foreign market cycles were measured with the dollar-adjusted Morgan Stanley Capital International EAFE (Europe Australia Far East) Index.

Sources: CDA Investment Technologies; Forbes.

Fund Ratings

Stock & balanced funds

Fund	Performance in UP —markets—	Performance in DOWN —markets—	12-month total return
*Scudder Development Fund	C	C	–1.6%
*Scudder Growth & Income Fund	B	C	3.5
*†Scudder International Fund	C	C	1.0
Security Equity Fund	A	D	4.6
Security Investment Fund	D	C	1.0
Security Ultra Fund	A	D	–18.2
Selected American Shares	D	A	0.2
Selected Special Shares	C	D	1.0
Seligman Capital Fund	A	D	–2.6
Seligman Common Stock Fund	B	B	0.2
Seligman Growth Fund	B	D	3.3
Seligman Income Fund	D	A	–4.0
Sentinel Balanced Fund	C	B	0.7
Sentinel Common Stock Fund	C	A	0.0
Sentinel Growth Fund	A	C	6.4
Sentry Fund	B	D	–6.0
*Sequoia Fund	D	A +	7.2
Shearson Appreciation Fund	A	B	7.0
Shearson Fundamental Value Fund	D	B	2.5
Sigma Capital Shares	B	B	–1.3
Sigma Investment Shares	C	B	3.3
Sigma Special Fund	B	C	6.0
Sigma Trust Shares	C	C	–1.8
Sigma Venture Shares	B	D	–13.6
Smith Barney Equity Fund	B	C	11.5
Smith Barney-Income & Growth	D	A	–2.8
†SoGen International Fund	D	A +	13.8
Source Capital	D	A +	1.7
Sovereign Investors	D	A	0.2
State Bond Common Stock Fund	C	D	6.0
State Bond Diversified Fund	D	B	2.8
*State Street Investment Corp	B	C	6.9
Steadman Associated Fund	F	C	–24.5
*Stein Roe & Farnham Cap Opportunity	A +	F	4.7
*Stein Roe & Farnham Stock Fund	A	D	3.7
*SteinRoe Special Fund	A	C	1.1
*SteinRoe Total Return Fund	B	F	0.4
*SteinRoe Universe Fund	B	D	–2.6
Strategic Investments Fund	A +	F	23.6
*Stratton Growth Fund	D	C	–4.3
*Stratton Monthly Dividend Shares	D	A +	–11.3
Strong Investment Fund	C	B	–0.5
Strong Total Return Fund	A	C	5.8
Surveyor Fund	B	D	–3.1
Technology Fund	A	D	8.7
*Templeton Global I	B	C	–11.7%
†Templeton Growth Fund	C	B	3.0
Templeton World Fund	C	B	3.3
Tri-Continental Corp	B	C	2.9
*Tudor Fund	A	C	1.1
*20th Century Growth Investors	A +	D	13.3
*20th Century Select Investors	A +	C	5.7
*20th Century Ultra Investors	A	F	6.4
*Unified Growth Fund	C	C	–10.9
*Unified Income Fund	C	D	–11.6
*Unified Mutual Shares Fund	D	B	–2.3
United Accumulative Fund	C	B	4.5
United Continental Income Fund	B	D	–8.0
United Income Fund	D	A	7.2
†United International Growth	D	A	17.0
United Retirement Shares	C	C	–3.4
United Science & Energy Fund	B	C	12.4
*†United Services-Gold Shares Fund	A +	D	31.6
*United Services-Good & Bad Times	D	B	0.6
US Trend Fund	B	C	18.0
United Vanguard Fund	B	B	8.8
*USAA Mutual-Growth Fund	C	D	8.0
*USAA Mutual-Sunbelt Era Fund	B	D	0.1
*Value Line Fund	B	C	4.7
*Value Line Income Fund	D	A	–1.7
*Value Line Leveraged Growth Inv	B	B	3.0
*Value Line Special Situations Fund	C	D	–9.6
†Van Eck-International Investors	A	C	34.8
Vance, Sanders Special Fund	D	C	–6.8
*Vanguard Explorer Fund	C	D	–6.7
*Vanguard High Yield Stock[1]	D	A +	–4.8
*Vanguard Index Trust	B	C	4.7
*Vanguard WL Morgan Growth Fund	B	C	4.7
*Vanguard Naess & Thomas Special Fund	C	D	–7.3
*Vanguard Trustees' Commingled-US	B	B	1.6
*Vanguard Wellesley Income Fund	D	A +	–1.9
*Vanguard Wellington Fund	A	C	2.3
*Vanguard Windsor Fund	B	A	4.8
Wall Street Fund	C	D	–2.3
Washington Mutual Investors	C	A	1.3
Weingarten Equity Fund	A +	D	9.6
*WPG Fund	A	C	6.8

*Fund has no load or shareholder-paid 12b-1 plan. †Foreign funds were rated over up market periods from 10/31/76 to 10/31/80 and 9/30/82 to 8/31/87 and down market periods from 10/31/80 to 9/30/82 and 8/31/87 to 12/31/87. Foreign market cycles were measured with the dollar-adjusted Morgan Stanley Capital International EAFE (Europe Australia Far East) Index. [1] Formerly Vanguard Dividend I Fund.

Sources: CDA Investment Technologies; Forbes.

Fund ratings

Bond and preferred funds

We told you so—or at least we warned you about the risks.

The bond rating tables published here a year ago introduced a new statistic, interest rate risk. It's a measure of how sensitive a bond portfolio is to changes in interest rates. When rates head down, which is bullish for the bond market, a highly sensitive portfolio will do best; a portfolio with very low sensitivity will look second-rate.

There was good reason for the new measure. Go down is what rates did the previous year. In 1986 funds with the riskiest bonds—other things being equal, those with the longest maturities—had the best total returns. But, we noted, those same funds can be expected to do the worst in a period of rising rates. Which is what happened in 1987.

Consider Dreyfus A Bonds Plus, rated as high risk in the Feb. 9, 1987 report. It had a better than average 13.9% return in 1986, a good chunk from capital gains as bonds climbed in price. But the risk boomeranged in last year's bear market, and the fund's total return for 1987 was minus 1.1%. The high-risk rating continues this year.

Now look at Federated Short-Intermediate, rated very low in interest rate risk. It did poorly in 1986 (total return: 9.5%) but among the best last year (5%).

We calculate rate risk by comparing the fund's monthly returns over the last 24 months with the returns on our benchmark, the Merrill Lynch Corporate/Government bond index. No rate-risk rating is shown if the fund is less than two years old or if it has not historically paralleled the overall bond market. Please note that the rating measures interest rate sensitivity only. Credit risk is not captured in this statistic. We won't know how badly those junk bond funds will do in a recession until we get one.

Open-end bond funds are listed here if they have been in existence since Dec. 31, 1986 and had at least $100 million in assets June 30, 1987. Most of the raw data come from CDA Investment Technologies.

Fund	—12-month— total return	yield	Interest rate risk
Advantage Government Securities Fund	–3.8%	7.3%	
Alliance Bond Fund-High Yield	–2.0	13.6	
Alliance Bond Fund-US Government	3.7	11.0	very low
Alliance Mortgage Securities Income	3.5	11.1	low
American Capital Corp Bond Fund	6.1	11.8	
American Capital Government Securities	–1.5	9.0	average
American Capital High Yield Inv	2.2	13.5	
American Funds Income-US Govt Guar	1.0	9.8	average
AMEV US Govt Securities Fund	3.7	9.5	average
*Bartlett Capital Trust-Fixed Income	2.8	8.9	
*Benham Government Income-GNMA	2.8	9.1	average
Bond Fund of America	2.0	10.2	high
Bull & Bear High Yield Fund	–6.4	14.5	
Cardinal Government Guaranteed Fund	4.0	9.6	
Cigna High Yield Fund	3.1	12.4	
Cigna Income Fund	0.6	9.1	very high
Colonial Govt Securities Plus Trust	0.0	7.3	very high
Colonial High Yield Securities	4.3	11.7	
Colonial Income Trust	0.3	11.3	very low
*Columbia Fixed Income Securities	1.3	8.4	average
Composite Income Fund	6.0	10.7	
Composite US Govt Securities	2.1	9.3	
Criterion Bond-Investment Quality	1.1	10.5	very high
Criterion Bond-US Govt High Yield	2.3	8.4	low
Dean Witter High Yield Secs	–0.7	14.7	
Dean Witter US Govt Securities	3.9	9.9	low
Delaware Treasury Reserves-Investors	5.3	7.0	very low
Delchester Bond Fund	5.1	12.6	

Fund	—12-month— total return	yield	Interest rate risk
Drexel Series-Government Securities	–2.0%	7.3%	high
*Dreyfus A Bonds Plus	–1.1	9.3	high
Dreyfus GNMA Fund	1.8	9.2	average
Eaton Vance Govt Obligations Trust	4.3	10.2	average
Federated Corporate Cash Trust	2.1	6.5	
*Federated GNMA Trust	3.5	9.7	average
Federated High Income Securities	0.0	13.2	
*Federated High Yield Trust	1.2	13.0	
*Federated Income Trust	4.6	9.7	
*Federated Intermediate Government	3.8	8.2	average
*Federated Short-Intermediate Govt	5.0	7.6	very low
*Fidelity Flexible Bond Fund	0.1	9.3	high
*Fidelity Ginnie Mae	1.2	8.7	average
*Fidelity Government Securities Fund	1.1	9.0	average
*Fidelity High Income Fund	1.3	12.4	
*Fidelity Intermediate Bond Fund	–1.1	12.8	average
*Fidelity Mortgage Securities	2.7	9.1	average
First Investors Bond Appreciation	–7.0	12.2	
First Investors Fund for Income	–2.3	13.0	
First Investors Government Fund	–1.2	8.1	average
First Trust Fund-US Government	2.8	8.5	
Franklin AGE High Income Fund	1.2	13.1	
Franklin US Government Securities Fund	4.3	10.1	low
Freedom Investment-Government Plus	0.9	9.2	
FS Government Securities Income Fund[1]	–3.3	9.2	high
Fund for US Govt Securities	5.4	9.3	
Government Income Securities	4.0	9.4	
Home Investors Govt Guaranteed Income	1.1	8.4	average

*Fund has no load or shareholder-paid 12b-1 plan. [1] Formerly Yes Fund.

Sources: CDA Investment Technologies; Forbes.

Bond and preferred funds

Fund	—12-months—		Interest rate risk
	total return	yield	
Hutton Investment-Bond & Income	–3.1%	10.6%	very high
Hutton Investment-Govt Securities	–5.3	10.9	average
IDS Bond Fund	–0.1	10.0	high
IDS Extra Income Fund	0.9	11.7	
IDS Federal Income Fund	2.5	8.2	average
IDS Selective Fund	1.4	9.2	high
IDS Strategy Fund-Income	–1.8	6.0	
Investment Portfolios-Govt Plus	1.8	10.7	average
Investment Portfolios-High Yield	5.8	12.6	
John Hancock Bond Trust	0.8	9.7	average
John Hancock US Govt Guaranteed Mort	1.9	9.8	
John Hancock US Govt Securities	–1.2	8.7	high
Kemper High Yield Fund	8.1	11.7	
Kemper Income & Capital Preservation	3.1	11.0	average
Kemper US Govt Securities	2.6	10.9	high
Keystone Custodian B-1	–2.6	8.7	high
Keystone Custodian B-2	0.4	9.9	
Keystone Custodian B-4	–3.9	12.9	
Kidder Peabody Govt Income Fund	2.6	7.7	average
Lexington GNMA Income Fund	1.0	9.0	average
Lord Abbett Bond-Debenture Fund	2.0	11.9	
Lord Abbett US Government Securities	1.5	11.5	high
Mass Financial Bond Fund	–1.3	9.1	high
Mass Financial High Income-Series I	–0.9	14.6	
Mass Financial International-Bond	24.5	18.3	
Merrill Lynch Corp Bond-High Income	4.9	12.2	
Merrill Lynch Corp Bond-High Quality	0.4	9.0	average
Merrill Lynch Corp Bond-Intermediate	0.6	8.6	average
Merrill Lynch Federal Securities	2.6	9.0	average
Merrill Lynch Retirement/Income Fund	1.5	8.6	
MFS Government Guaranteed Secs	0.2	9.5	low
MFS Government Securities High Yield	–3.6	10.5	
National Bond Fund	–4.6	18.7	
National Federal Securities Trust	–5.6	11.0	high
*Neuberger & Berman Ltd Maturity Bond	3.6	6.9	
New England Govt Securities Fund	–0.1	7.4	high
*Northeast Investors Trust	0.1	16.3	
Oppenheimer High Yield Fund	7.2	13.7	
Oppenheimer US Government	2.6	8.4	average
PaineWebber Fixed Inc-GNMA	0.5	8.8	average
PaineWebber Fixed Inc-High Yield	–2.3	13.3	
PaineWebber Fixed Inc-Invest Grade	–1.7	9.6	high
PaineWebber Master Series Income	–2.8	8.7	
Phoenix High Yield Fund	1.6%	13.1%	
Pilgrim GNMA Fund	0.9	9.9	
Pilgrim Preferred Fund	–9.1	13.6	
*T Rowe Price GNMA Fund	0.9	9.7	low
*T Rowe Price High Yield Fund	3.0	12.8	
*T Rowe Price New Income Fund	2.0	8.7	average
*T Rowe Price Short-Term Bond Fund	5.2	7.6	very low
Prudential-Bache GNMA Fund	1.1	7.7	average
Prudential-Bache Government Plus	0.5	7.1	
Prudential-Bache Govt Secs-Inter Term	1.9	8.6	average
Prudential-Bache High Yield Fund	1.7	11.1	
Putnam GNMA Plus Trust	–1.2	12.2	
Putnam High Income Government Trust	–1.1	8.9	very high
Putnam High Yield Trust	4.6	13.1	
Putnam High Yield Trust II	6.1	12.0	
Putnam Income Fund	1.9	11.7	average
Putnam US Govt Guaranteed Securities	4.6	10.2	low
*Scudder Government Mortgage Securities	1.6	8.9	average
*Scudder Income Fund	3.0	8.7	average
Seligman High Inc-US Govt Guaranteed	–3.2	8.1	very high
Shearson High Yield Fund	5.8	12.6	
Shearson Lehman-Long Term Govt	–1.2	7.5	average
Shearson Managed Governments	1.4	8.8	low
Smith Barney-US Government	2.7	10.3	
*SteinRoe Managed Bonds	2.5	10.3	high
*Strong Income Fund	4.4	13.2	
Thomson McKinnon Inves-Income	4.8	11.1	
Thomson McKinnon Inves-US Govt	–0.2	10.0	average
*20th Century US Govt Investors	3.7	8.3	low
United Bond Fund	4.5	9.0	high
United Government Securities	–3.4	8.6	very high
United High Income Fund	0.0	13.8	
*USAA Mutual-Income Fund	2.6	9.5	average
*Value Line US Government Securities	3.4	12.9	low
Van Kampen Merritt High Yield Fund	7.2	12.4	
Van Kampen Merritt US Government	1.5	9.9	high
*Vanguard Adj Rate Preferred[1]	3.0	6.6	
*Vanguard Convertible Securities Fund	–10.7	7.0	
*Vanguard Fixed Income Secs-GNMA	2.1	9.5	average
*Vanguard Fixed Income Secs-High Yield	2.6	12.1	
*Vanguard Fixed Income Secs-Invest Grade	0.2	9.9	high
*Vanguard Fixed Income Secs-Short Term	4.4	7.3	low
*Vanguard Preferred Stock[2]	–6.5	9.5	

*Fund has no load or shareholder-paid 12b-1 plan. [1] Formerly Vanguard Qualified Dividend III. [2] Formerly Vanguard Qualified Dividend II.

Sources: CDA Investment Technologies; Forbes.

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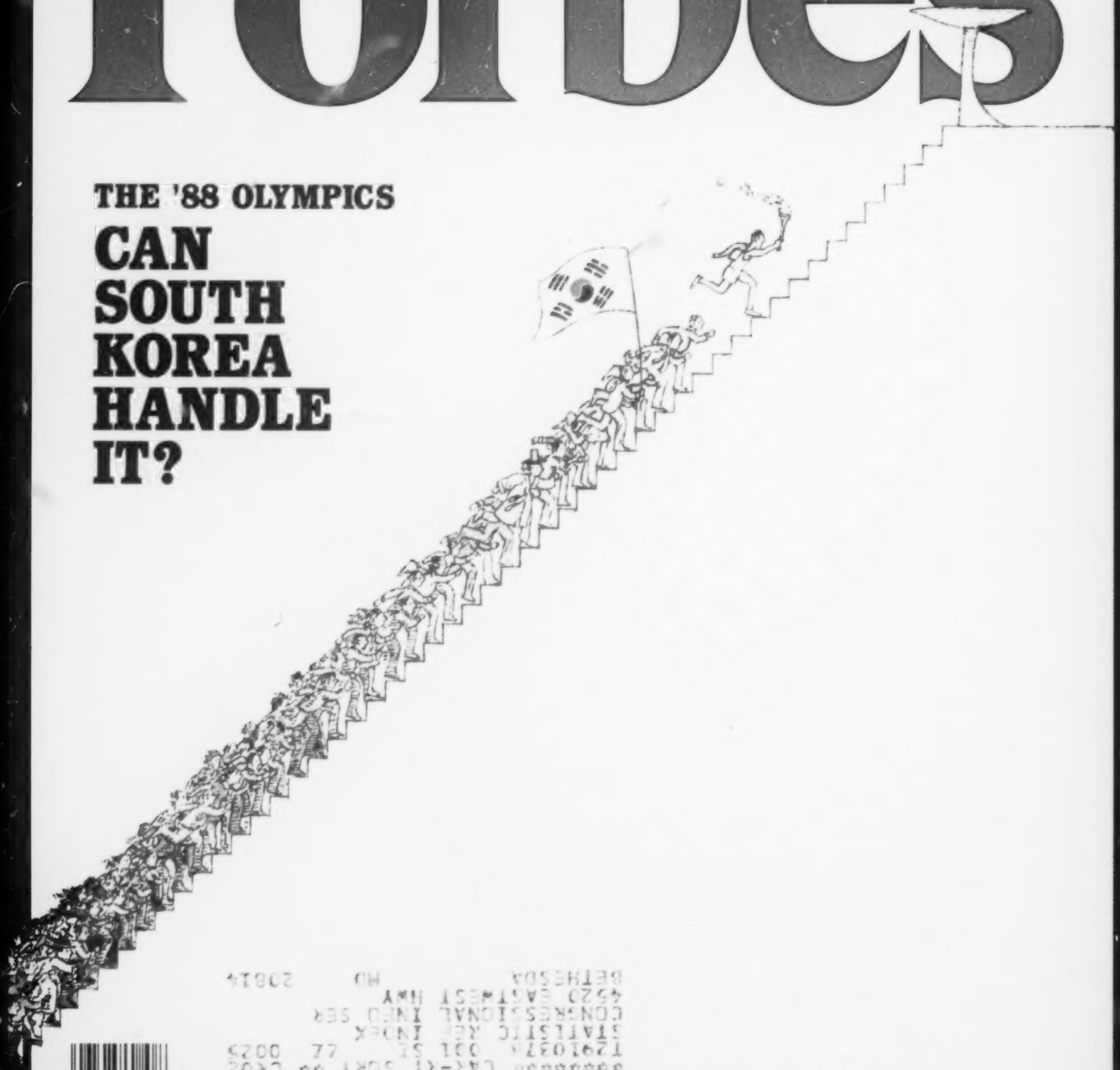

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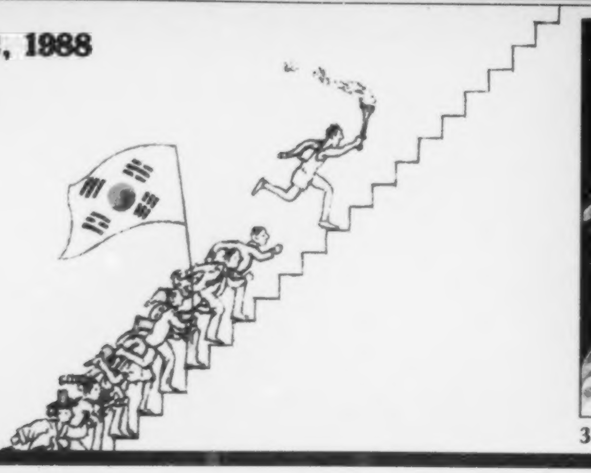

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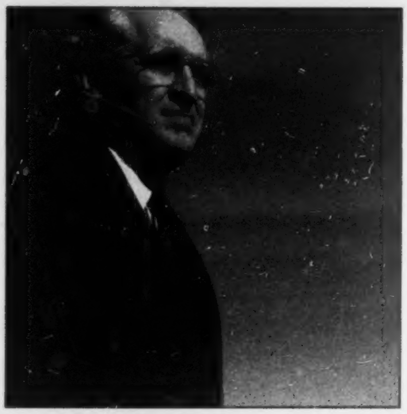

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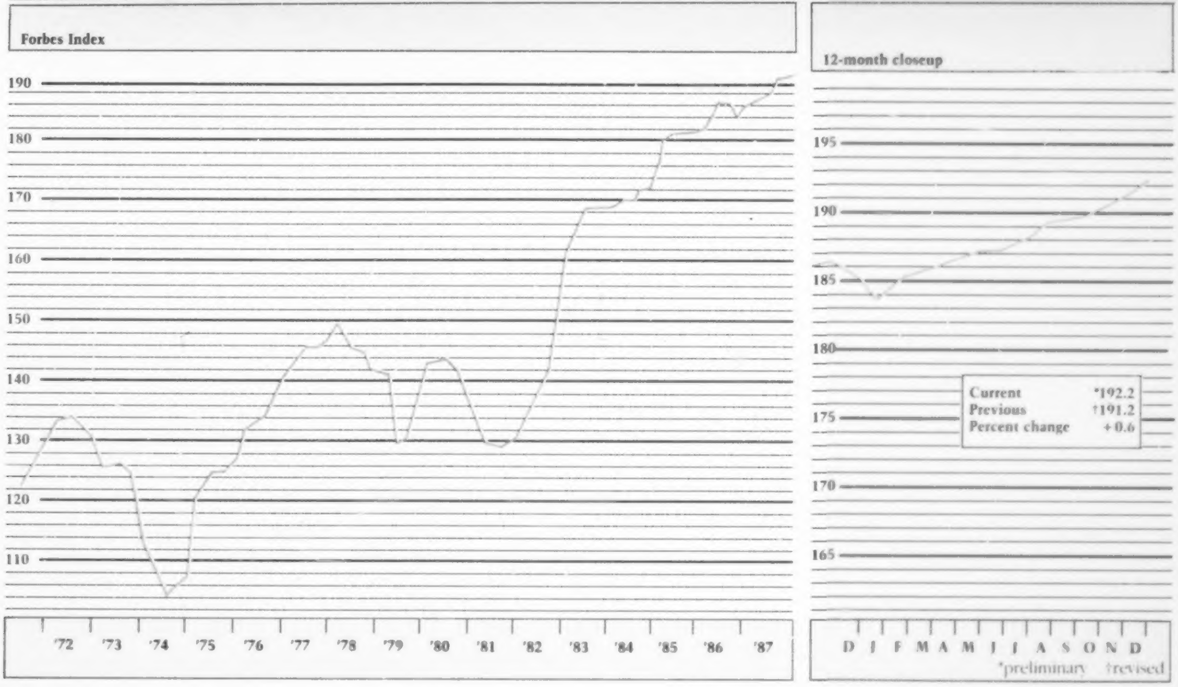
The Forbes Index



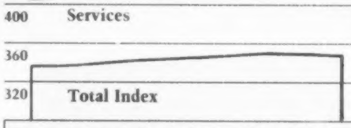
The economy is not dead in its tracks. The preliminary report on the U.S. gross national product shows economic growth at an inflation-adjusted 4.2% rate for the fourth quarter and a 2.9% rate for all of 1987. Manufacturers' new orders shot up 6.7% in December. Personal income rose 1.1% in December.

But some economic caution lights are glowing. The Consumer Price Index rose 4.4% in 1987, vs. 1.1% in 1986. Housing starts were 25.4% lower in December 1987 than in December 1986. This comes despite a 0.4-percentage-point decline over the 12 months in average mortgage rates. Unemployment levels are at their lowest in years, but the trailing-six-month total of new unemployment filings was up 0.5% from November to December.

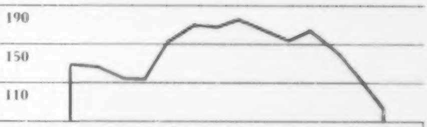
The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

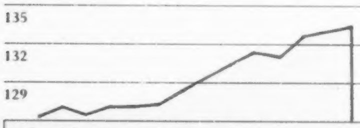
To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



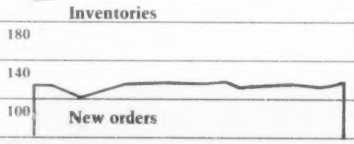
Consumer price indexes (1967 = 100)
all urban consumers, unadjusted (Dept. of Labor)



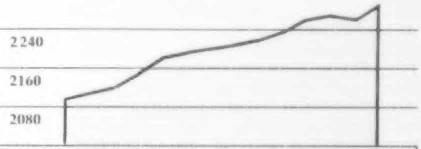
New housing starts (thousands)
privately owned, unadjusted (Dept. of Commerce)



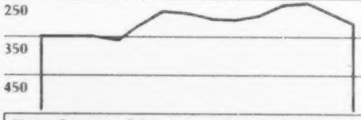
Industrial production index (1967 = 100)
seasonally adjusted (Federal Reserve)



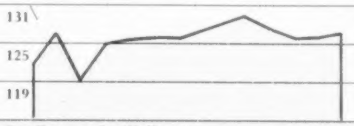
Manufacturers' new orders and inventories
($billions) seasonally (Dept. of Commerce)



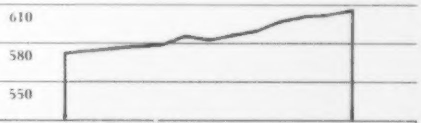
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month
(thousands) seasonally adjusted (Dept. of Labor)



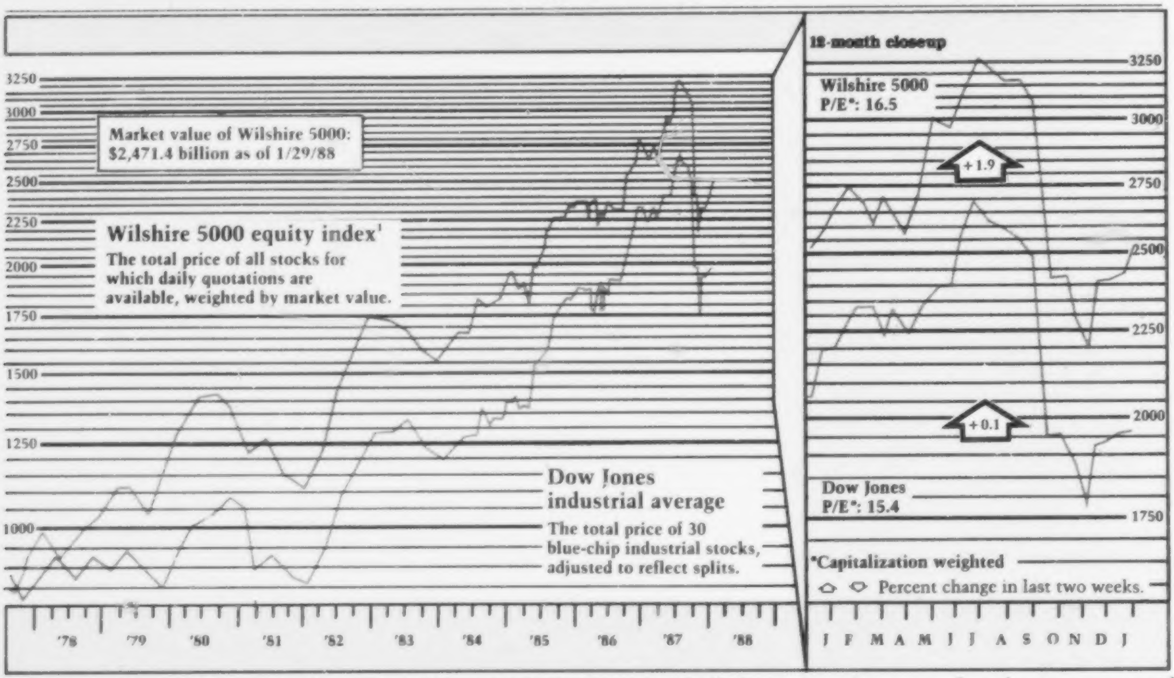
Retail store sales ($billions)
seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions)
total, seasonally adjusted (Federal Reserve)

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



The Dow industrials may be the yardstick by which the market is measured, but when one of the 30 stocks in this average makes a major move, it can distort the end result. Such is the case in the latest two-week period, in which the Dow closed with only a 0.1% gain while the NYSE was up 2.1% and the overall market—as measured by the Wilshire index of more than 5,700 securities—showed a 1.9% increase. What brought down the Dow? Eastman Kodak, which fell 16% in the last ten trading days. Investors sold off shares out of concern that the company paid too dear a price for Sterling Drug.

In the postcrash market, the Wilshire index hit its highest P/E, 16.9, early in November. With the latest rise in stock prices, the P/E multiple on the Wilshire index is back up to 16.5 times latest 12-month earnings. It seems that a P/E of 17 for the Wilshire has become as difficult a goal as the 2,000 level is for the Dow industrials. But crossing these points would be a bullish sign.

Closeup On the Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	4.2	4.7	1.0	4.3	3.4	4.3
in last 52 weeks	–8.2	–7.1	–9.3	–7.7	–10.4	–12.1

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	4.9	15.4	19.8	8.9	4.4	10.3	8.6	11.9	17.8	6.8	4.6	18.1
in last 52 weeks	–5.2	12.3	17.1	6.4	–9.9	–6.9	–5.9	22.3	18.7	–1.9	–4.2	11.1

[1] Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2] Based on sales. [3] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

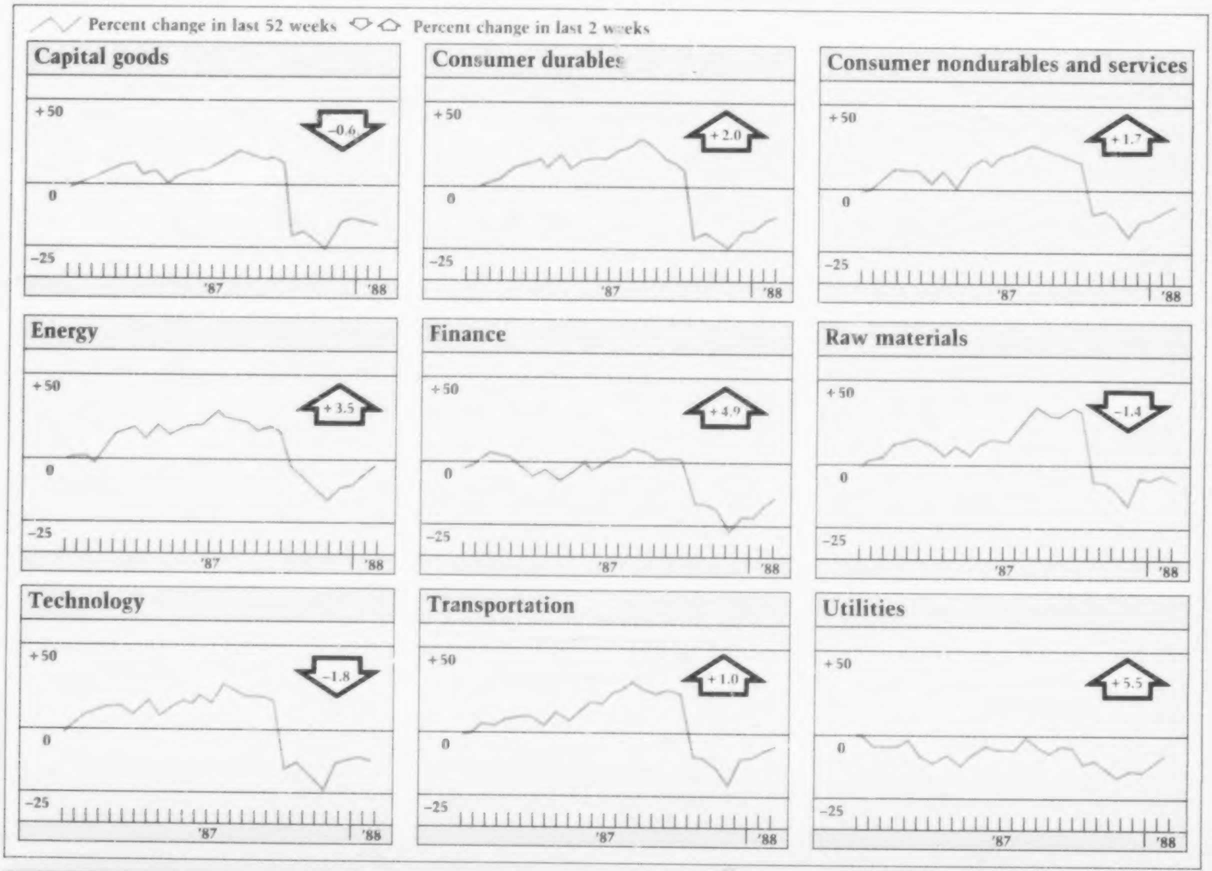
Note: All data for periods ending 1/29/88. Prepared by Wilshire Associates, Santa Monica, Calif. ▪

Gay French

Where the Action Is

Utility stocks lit up the wires with a 5.5% two-week gain, vs. 1.9% for the Wilshire index. Leading this diverse group with a 15% increase was United Telecommunications. Its joint venture with GTE in US Sprint made Sprint the third-largest long-distance carrier in the U.S., after AT&T and MCI. Regulated carriers recently won an appeal regarding customer refunds for disputed charges, and this helped buoy UT. The second-best-performing utility stock was Metro Mobile CTS, which rose on speculation over takeovers of cellular phone systems.

During the last two weeks some electric utilities also posted strong gains. Montana Power was up 13.7%. Dominion Resources and El Paso Electric also scored double-digit increases.



What the Analysts Think

Is the worst over for transportation companies? After weeks of cutting their 1988 earnings forecasts for transportation issues, security analysts now show a slight increase in their overall projection for this group. Among the stocks with higher forecasts: CNW, KLM Royal Dutch Airlines, Kansas City Southern, Arkansas Best and NWA.

Forecasting the Forbes Sales 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.40	15.7
1988 estimates	3.54	10.6
1989 estimates	NA	NA

NA: Not available.

Rank based on change in estimate	Sector	Estimated 1988 EPS	Estimated 1988 P/E	% change in 1988 estimate in 2 weeks	% change in 1988 estimate in 4 weeks
1	Consumer durables	$3.84	12.1	2.30%	2.57%
2	Capital goods	2.53	14.0	0.96	1.31
3	Raw materials	2.85	11.0	0.36	0.52
4	Transportation	2.53	11.7	0.02	–0.33
5	Utilities	3.04	10.1	–0.35	–0.44
6	Consumer nondurables	2.56	12.5	–0.36	–0.63
7	Technology	2.93	11.0	–0.39	–0.57
8	Energy	2.96	12.7	–0.81	–1.27
9	Finance	3.61	7.5	–1.53	–2.27

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continually by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 1/29/88. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

Commodities

MONEY & INVESTMENTS

Can a commodity market letter help you make money? Yes, if you choose wisely and follow its advice rigorously.

MAILBOX MENTORS

By Stanley W. Angrist

It's time for our annual look at how well commodity market letters served their subscribers in the previous year. By and large they did better than usual, but that's not much to brag about.

Nine of the 26 market letters tracked by *Commodity Traders Consumer Report* lost money or showed negligible profits last year. That made 1987 the best year for market letters since *CTCR* began tracking them in 1983. In previous years about half of all the newsletters followed lost money.

It's certain that a lot of subscribers of even the best-performing market letters lost money last year. Why? Blame it on human nature, or maybe just ego, or whatever it is that causes so many traders to pick and choose among a market letter's recommendations without discipline—acting on certain trades and ignoring others. The ones they choose invariably turn into losers, or so it seems, and the ones they ignore are big winners. They then complain that the letter writer is incompetent. Common sense says that if you want to achieve the same results as the market letter, you had better follow all of the suggestions.

The performance of all the letters evaluated by *CTCR* last year was profoundly influenced, of course, by the October selloff. Those letter writers who were short or had bought puts did extremely well. The longs got killed. The top two services for the year, and five of the top eight, were short stock futures on Oct. 19. So it goes in commodity trading—a few large winners each year pay for the losers and provide the profit. That's why few savvy traders place much importance on the *percentage* of profitable trades.

What should you look for in a market letter? Consistency. You want a service that has proved itself profitable in both bull and bear markets. You also want a letter whose trading style fits your needs. Do the trades seem unnecessarily risky to you? Are the stops too far from the market for your taste? Then pick another letter, no matter how impressive that letter's track record.

Of the eight letters listed in the table, only the *Elliott Wave Theorist* has a *CTCR* record that goes back four years. To calculate the return on margin, *CTCR* used exchange minimum margins, which are not available to most traders. In order to make the calculation more closely approximate the conditions under which most traders operate, these minimum margins were doubled.

You can get more detailed reports on the letters listed by subscribing to *CTCR* (telephone: 916-677-7562). Most market letters will also provide you with a sample copy or two before you subscribe.

A perennial favorite of spread traders in the grain market around this time of year is corn versus oats. In setting up this spread, one must take into account the fact that a bushel of corn averages 56 pounds, a bushel of oats only 32 pounds. Thus this seasonal spread is normally set up by buying one May corn contract while selling two May oats.

To place the current spread in perspective, consider that in January the value of the two oats contracts exceeded the value of the corn contract by $8,000. In the previous 13 years that number had not been larger than $7,000.

The trade has worked in 11 of the last 13 years, producing an average profit of $600. The worst loss in that stretch was $1,138. The biggest drawdown was $1,926, with an average of only $600. The exchange minimum margin on the trade is $500. Risk no more than $600 on the trade and look for a $600 profit, or exit by Mar. 31. ■

Nothing to brag about

Successful traders will seek out market letters that have been consistently profitable over time. Herewith, a scorecard. Greater detail on these and other letters is available from *Commodity Traders Consumer Report*.

Market letter	—Profit per trade— 1987	1986	1985	—Profitable trades— 1987	1986	1985	—Return on margin— 1987	1986	1985
Braun's Systems	$2,116	$–1,174	$–1,242	57%	49%	26%	192%	–79%	–163%
Timing Device	936	772	—	32	38	—	31	107	—
Elliott Wave Theorist	635	669	9	44	59	42	62	82	2
DeMark Futures	437	497	114	45	53	51	93	115	77
Wash'ton Econometrics	380	—	—	48	—	—	87	—	—
Tomorrow's Comms	346	16	109	27	32	48	21	4	20
Weiss Research	336	–205	–149	38	29	33	116	–112	–64
Futures Factors	323	65	206*	45	42	36*	84	31	106*

*Record for only four months (In computing profit per trade, $100 has been deducted to allow for commissions and slippage.)

Stanley W. Angrist is a commodity speculator, consultant and longtime observer of the commodity markets.

C3950-1
2/19/88

THE UNHERALDED TURNAROUND AT SEARS

WHAT STOCKS THE PROS ARE BUYING

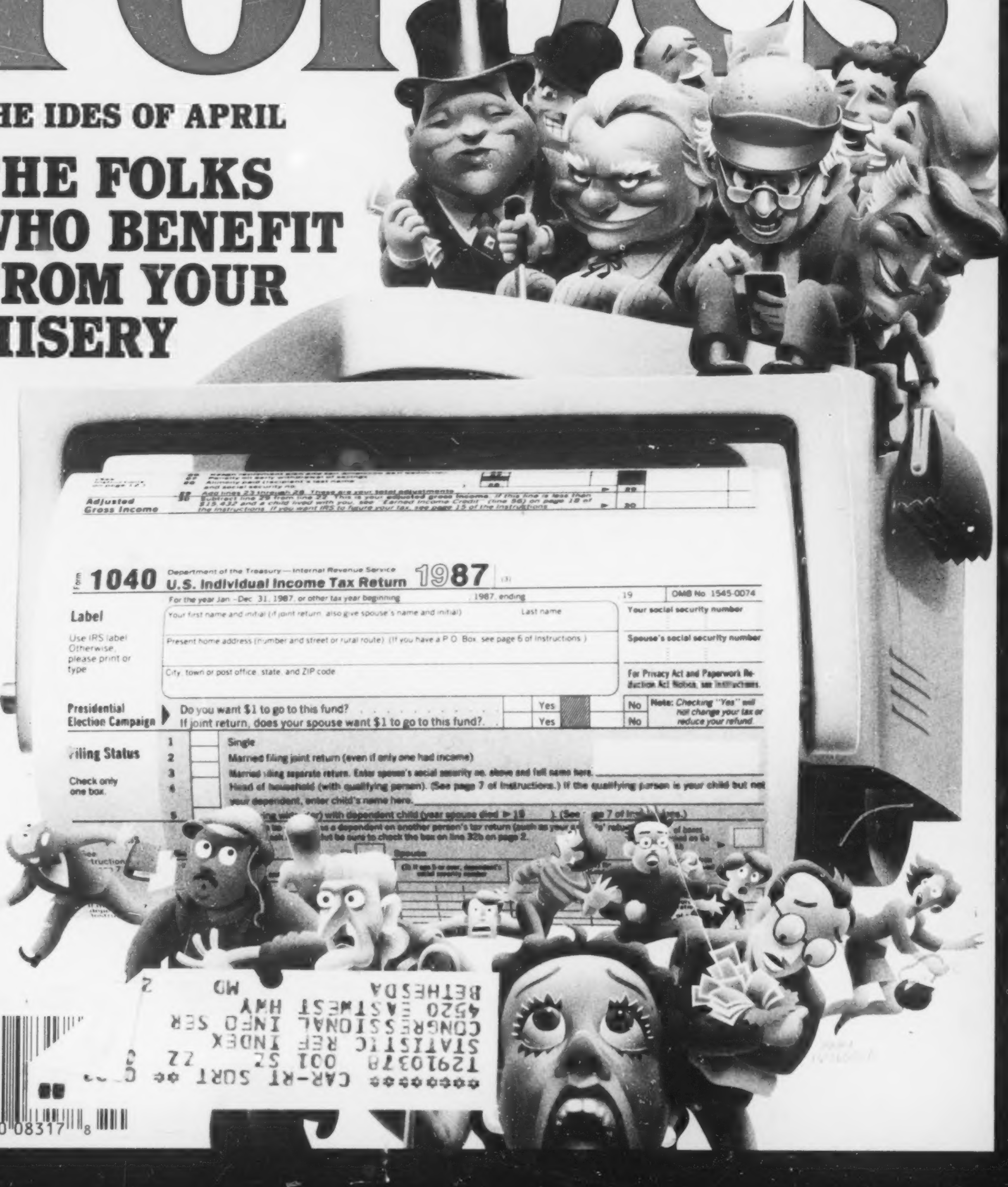
MARCH 7, 1988

THREE DOLLARS SEVENTY-FIVE CENTS

Forbes

THE IDES OF APRIL

THE FOLKS WHO BENEFIT FROM YOUR MISERY


Adjusted Gross Income
1040
Department of the Treasury—Internal Revenue Service
U.S. Individual Income Tax Return 1987
For the year Jan.–Dec. 31, 1987, or other tax year beginning
1987, ending
19
OMB No. 1545-0074
Label
Use IRS label. Otherwise, please print or type
Your first name and initial (if joint return, also give spouse's name and initial)
Last name
Your social security number
Present home address (number and street or rural route). (If you have a P.O. Box, see page 6 of Instructions.)
Spouse's social security number
City, town or post office, state, and ZIP code
For Privacy Act and Paperwork Reduction Act Notice, see Instructions.
Presidential Election Campaign
Do you want $1 to go to this fund?
Yes
No
If joint return, does your spouse want $1 to go to this fund?
Yes
No
Note: Checking "Yes" will not change your tax or reduce your refund.
Filing Status
Check only one box.
1 Single
2 Married filing joint return (even if only one had income)
3 Married filing separate return. Enter spouse's social security no. above and full name here.
4 Head of household (with qualifying person). (See page 7 of Instructions.) If the qualifying person is your child but not your dependent, enter child's name here.
5
Spouse

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STATISTIC REF INDEX
CONGRESSIONAL INFO SER
4520 EASTWEST HWY
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Forbes

MARCH 7, 1988
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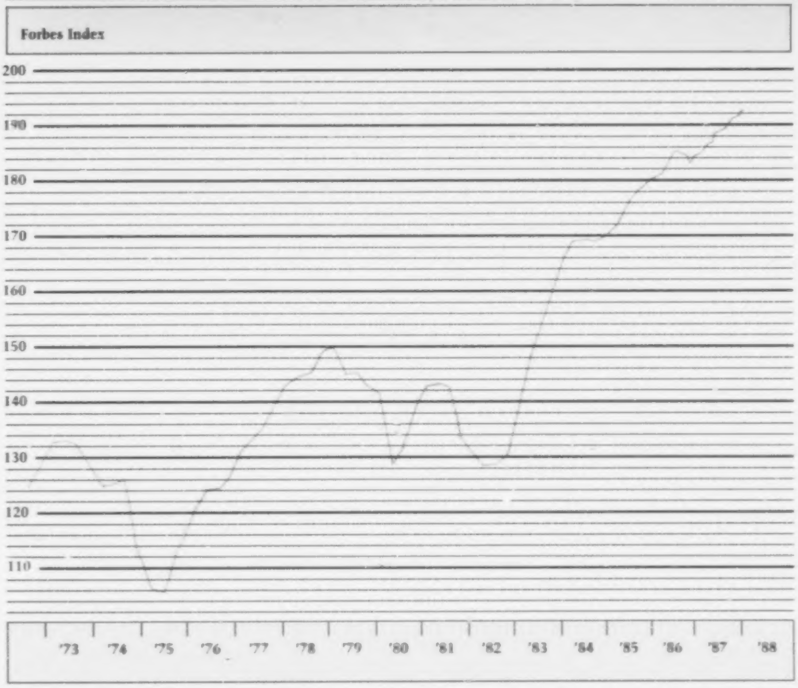
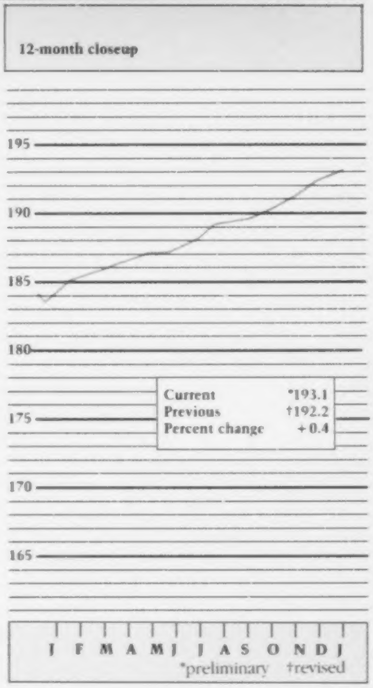
The Forbes Index





Current	*193.1
Previous	†192.2
Percent change	+0.4

*preliminary †revised

Staying afloat. There was a pleasant surprise from America's stores and shopping malls: Retail sales in January increased 0.5% despite a widely predicted decline. While this component alone doesn't prove the optimists' case, it's an indication that a recession may be further off than has been suggested by the three consecutive down months of the government's leading indicator index. The news from U.S. factories was also encouraging. Manufacturers' new orders rose 1% in December.

Although last year's holiday season was less than spectacular, consumers increased their indebtedness to new levels as consumer installment credit rose 1% in December. On the basis of these early results, the Forbes Index shows a preliminary gain of 0.4% for January.

The Forbes Index Components

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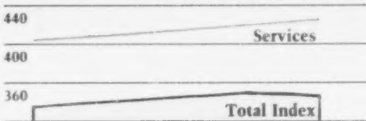
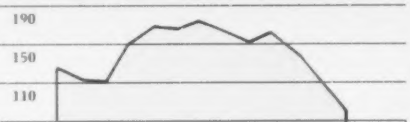
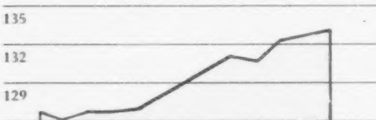


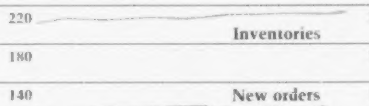
Consumer price indexes (1967 = 100)
all urban consumers, unadjusted (Dept. of Labor)



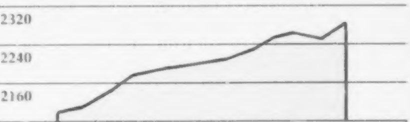
New housing starts (thousands)
privately owned, unadjusted (Dept. of Commerce)



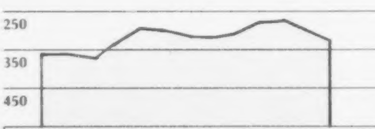
Industrial production index (1967 = 100)
seasonally adjusted (Federal Reserve)



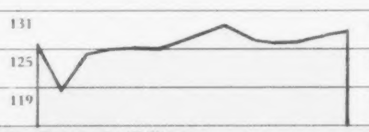
Manufacturers' new orders and inventories
($billions) seasonally (Dept. of Commerce)



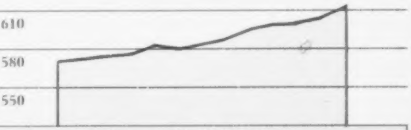
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month
(thousands) seasonally adjusted (Dept. of Labor)



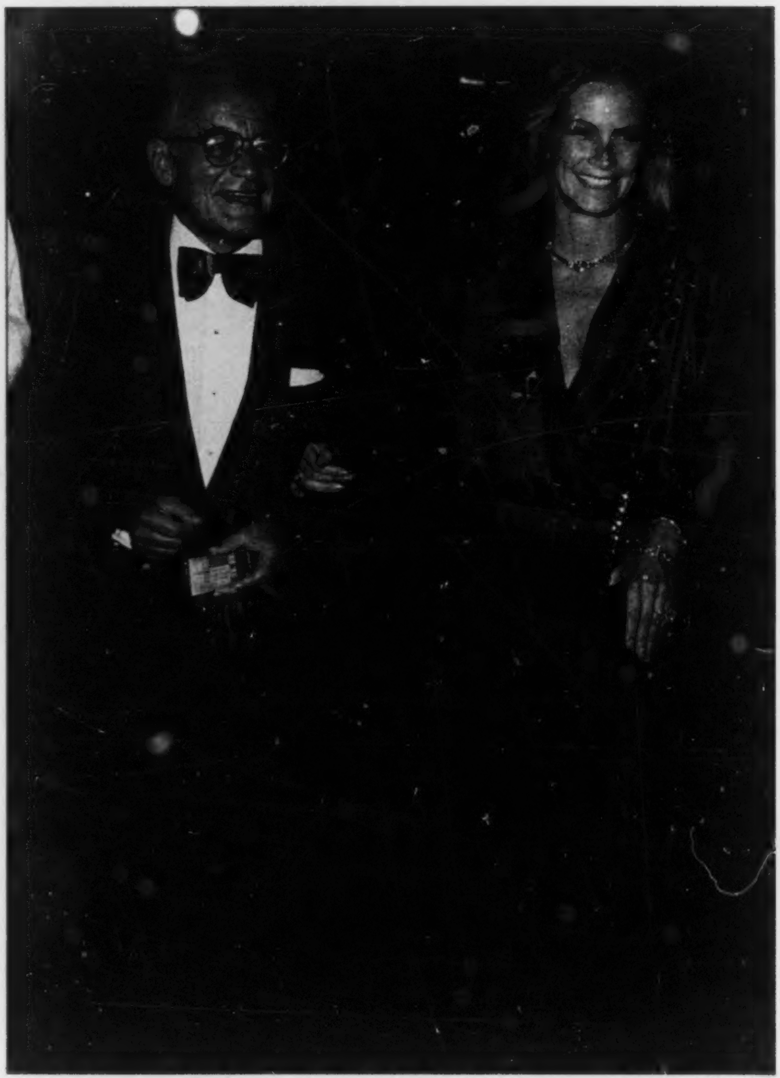
Retail store sales ($billions)
seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions)
total, seasonally adjusted (Federal Reserve)

Banks and the investing public gave Dino De Laurentiis nearly $200 million to build a film company. The money is gone and the company in ruins, but some of Dino's friends and relatives aren't hurting.

No, thank you, PaineWebber



Steve Granitz/Celebrity Photo

Dino De Laurentiis and companion Martha Schumacher

If the big studios wouldn't finance him, the public would.

By Richard Behar

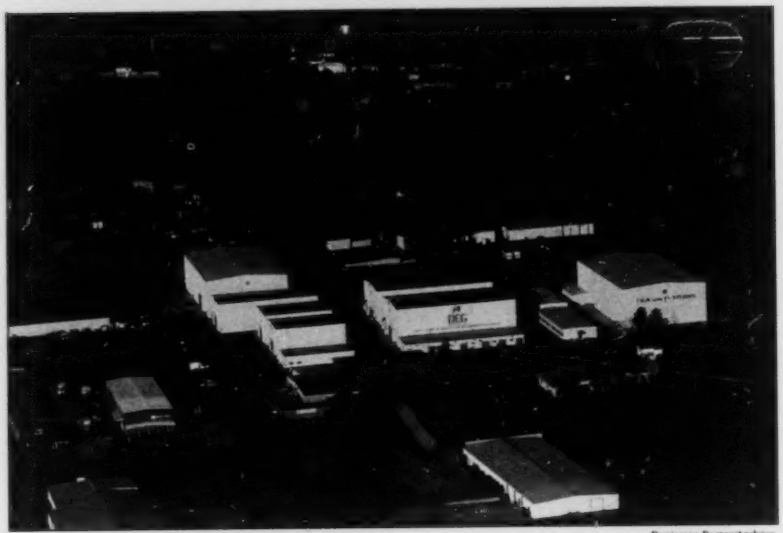
NOTHING IS MORE EPHEMERAL than success in moviemaking. A few years back Dino De Laurentiis was a hero. There was his 1976 money-spinning remake of *King Kong,* and, over a 46-year career, such other movies as *Serpico* in 1974 and Fellini's *La Strada* in 1956. But then came some momentous flops, particularly *Dune* (1984), a film that cost roughly $50 million and took in just $16.5 million in rentals. Suddenly the big studios were cooling to him.

Enter PaineWebber. If the industry wouldn't finance him, the public would. Before you could say *King Kong Lives* (this one died, in 1986), the brokerage house raised $107 million for De Laurentiis, selling stock, junk bonds and units of a limited partnership. Banks, led by Bank of America, came up with loans amounting to nearly $60 million. An Australian affiliate went public, raising another $19 million (U.S.).

Today the money is gone. De Laurentiis Entertainment Group's working capital is an estimated negative $54 million, and that's counting some very dubious receivables at face value. Film distribution reportedly has been temporarily halted. The company owes $174 million to banks, debenture holders and trade creditors. Its movie library and its studios in North Carolina are for sale, and the proceeds will go to the banks. The stock, which was offered at $12 in 1986, sold recently at 87 cents. The junk bonds go for 13 cents on the dollar.

Here was a concept stock of the classic kind. When the company went public, it had no earnings history. De Laurentiis himself had no record managing such an enterprise: Producing a film and running an entertainment company with a costly distribution network are different things. But the company did have a concept, and that was what PaineWebber raised the money on—the concept and the magic of the De Laurentiis name.

In an October 1986 report, PaineWebber's entertainment analyst Lee Isgur rhapsodized that De Laurentiis had virtually figured out how to take the risk out of moviemaking. Why, you could recover 50% to 60% of production cost by preselling home videocassette rights, another 40% to 50% from foreign distribution rights and 20% to 30% from pay television rights. Before distribution costs, at least, you're ahead of the game even before box office rentals start rolling in. To top it off, the old master (he's now 68) would end-run Hollywood's



Benjamin Porter/Archive

De Laurentiis studio in Wilmington, N.C.
The old master would end-run Hollywood's costly unions.

costly unions with a low-budget studio in North Carolina.

As late as March 1987 PaineWebber reports were promoting the stock at 12⅜, projecting 75 cents to $1.25 a share in earnings for the fiscal year ending Feb. 29, 1988. Actual results: For the first three quarters the company lost $3.78 a share.

"It was worthwhile as originally constructed," argues Isgur. "But we had one disaster after another. And once it became apparent that things weren't working, management froze." In short, the concept was a bust.

Moviemaking is at best a chancy business. Most of the small film producers that went public toward the end of the bull market are in trouble today *(see table)*. But none has burned through as much money in as short a time—without so much as even a near hit—as De Laurentiis. Since the public offering, only one of his 21 releases—*Crimes of the Heart*—has topped $20 million in box-office sales, and that barely covered its total costs.

"The idea of creating a major studio from whole cloth was intoxicating," recalls Gary DeVore, a top De Laurentiis Entertainment executive who jumped ship last year.

"The idea was that with 100% of the production costs covered, it was going to be easy street, a guaranteed profit almost," says Merrill Lynch analyst Harold Vogel about De Laurentiis Entertainment and a similarly troubled Cannon Group. "What they forgot to mention were the growing costs of marketing and distribution—expenses that can exceed the costs of making a film."

Not the least of the problems was De Laurentiis himself. He turned out to be a poor delegator who trusts no one and insists on making even minor corporate decisions. He ran the company as if it had remained private. Until she quit in August, Dino's daughter, Raffaella, 35, was the $400,000 head of production. The firm also has production deals with a son-in-law, a videocassette deal in Spain and Portugal with a second son-in-law, and a distribution deal with a brother in Italy. Dino's pregnant 33-year-old companion, Martha Schumacher, is head of the studios.

Moreover, De Laurentiis Entertainment has a web of deals with several firms controlled by Dino himself. Last year two such affiliates owed De Laurentiis Entertainment $27 million. The company has agreed to settle the debts by taking TV rights to an unspecified group of films valued by "management" at $9 million and based on "anticipated" network license agreements. De Laurentiis will throw in shares in one of his private Italian film firms if those rights add up to less than $9 million. In addition, the TV rights to a miniseries and profits from a group of films that are yet to be made have been valued at $9.5 million by an "independent" appraisal. The company will not release a copy of the appraisal report.

Then there is a promissory note from De Laurentiis for $8.4 million, at 7.5% interest, which is backed by 1 million shares of Dino's De Laurentiis Entertainment stock. But the stock is now worth under $1 million.

Among the firm's assets today is $28 million in trade receivables of questionable collectibility. According to Arthur Murphy, a well-known *Variety* commentator, many exhibitors hold up payment to failing firms in order to renegotiate the contract.

De Laurentiis is no longer talking to reporters. In November he announced that he might resign, but that hasn't happened yet. He even suggested publicly that De Laurentiis Entertainment should change its name—the very thing that gave it so much cachet on Wall Street in the first place.

Who's to blame for the mess? De Laurentiis is in a major way, and so is PaineWebber for pushing such an unproven concept. But a lot of the blame rests on the investors themselves, who were careless enough and naive enough to buy a pig in a poke just because the pig had a famous name attached to it. ■

Pix stox take lix

A rash of Hollywood offerings has left investors with a dose of glamour, but not much in profits. Most of these firms are in the red.

Company	Date public	Initial price	High	Recent
Cannon Group†	Oct 83	20¾	45½	3⅞
De Laurentiis Ent Grp	May 86	12	19¼	⅞
Imagine Films	July 86	8*	19¼*	4½*
Kings Road Entertainment	Sept 85	10	10½	⅞
Mercury Entertainment	Sept 84	6*	12*	4¾*
New Line Cinema	Sept 86	8	13¾	5¼
New Star Entertainment	June 86	2*	5¾*	¾*
New World Entertainment	Oct 85	5	22⅜	3
Vestron	Oct 85	13	15¼	4⅛
Vista Organization Ltd	Aug 84	6¼*	105*	6½*

*Units. †Most recent public offering.

What was rougher on investors than stocks last year? Answer: new issues, where the investing public dropped a cool $3 billion.

And it's still pretty crazy out there

By Richard L. Stern and Charles M. Bartlett Jr.

It's no surprise that the October crash humbled the new-issues market. Only eight new issues at $1 or more per share were sold in January. Issues that came out earlier took a beating. Only 102 of the 574 issues that went public last year at $1 or more were, by year-end, trading above their offering prices, according to Forbes' new-issues database. Those 574 issues raised $13.9 billion, but their total market value at year-end was only $10.8 billion, handing investors a 22.3% decline, compared with a 2.03% gain in the S&P 500.

Even before the crash, 1987 shaped up as a mediocre year for new issues. Counting penny stocks, the market raised $14.1 billion in 768 new issues, compared with the 1986 record year, when the market raised $21.8 billion in 929 new issues. (An interesting exception was the strength in new closed-end investment companies. Thirty-four new closed-end mutual funds raised $9.7 billion, compared with 1986's previous record, when 26 closed-ends raised $4 billion. But this, too, was before the crash.)

Biggest IPO underwriters

Here are the top investment banker money raisers (based on their roles as the lead underwriters).

Rank	Underwriter	Money raised (mil)
1	**Goldman, Sachs**	$2,430
2	**Shearson Lehman**	1,410
3	**Drexel Burnham Lambert**	1,250
4	**Merrill Lynch**	1,094
5	**Salomon Brothers**	1,085
6	**Morgan Stanley**	594
7	**Alex Brown & Sons**	550
8	**First Boston**	410
9	**Donaldson, Lufkin & Jenrette**	381
10	**PaineWebber**	363

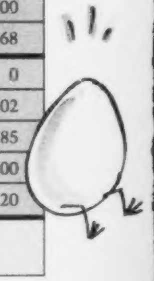
Illustrations by Patrick McDonnell

Steinberg & Lyman's new issues

An investment of $100 in each of these new issues, since 1985 (total, $1,500), was worth $1,217.18 by year's end.

Company/business	Offer date	Offer price	Offering P/E	Prices as of 9/30/87	Prices as of 11/5/87	Prices as of 12/31/87	Current P/E	Current value of $100 (12/31/87)
Aca Joe Eastern[1]/apparel stores	11/25/85	$6.25	125.0	$0.68	$0.53	$0.28	neg	$4.48
Axlon/toys	8/21/86	9.00	neg	2.38	1.00	0.13	neg	1.44
Cabot Medical/medical products	1/17/86	2.08	13.0	2.31	1.58	2.06	17.2	99.04
Chase Medical/family medical care	7/23/87	5.25	15.0	7.13	4.13	6.00	12.5	114.30
Computer Telephone/telecommunications	5/13/87	5.50	23.9	1.63	1.00	1.88	neg	34.18
Control Resources[2]/air filtration systems	8/1/85	2.50	26.3	14.50	8.25	6.50	neg	260.00
Criticare Systems/medical products	5/22/87	5.25	18.1	9.00	10.00	5.38	16.8	102.49
Eastern Environmental/environmental svcs	8/11/87	8.00	29.6	9.50	5.50	5.00	13.2	62.50
General Sciences/technical development	3/13/86	5.00	35.7	10.00	9.25	11.50	44.2	230.00
Perle Systems/data communications	4/15/85	6.00	14.3	3.50	3.00	2.50	neg	41.68
Pinch or Pound[3]/candy stores	8/7/86	1.67	neg	0.13	NA	NA	NA	0
ProtocomDevices/computer equipment	5/20/86	2.08	neg	0.04	NA	0.25	neg	12.02
Saztec Intl[4]/computer services	11/12/86	3.13	14.9	8.75	7.50	2.50	neg	79.85
Sidari/food processor	3/5/87	1.25	11.4	1.65	1.50	1.50	30.0	120.00
Total Research/market research	3/26/87	1.25	25.0	1.00	0.75	0.69	34.4	55.20

[1] Merged into Aca Joe, 1/16/87. [2] Two-for-one stock split, 4/1/86. [3] Filed for Chapter 11, 8/6/87. [4] Two-for-one stock split, 11/30/87. NA: Not available. neg: No positive earnings.



The best performers of 1987

Below, the 15 best-performing new issues of 1987 and the 15 worst, based on actual performance through Dec. 31. We have not counted issues that raised less than $5 million when they were brought public.

Company/business	Offer price*	Recent price	Offer value (mil)	Offer date	% gain		Underwriters
					actual	relative to S&P 500	
Quadrax/fiber composites	$1.67	$2.75	$5.0	7/7/87	64.7%	104.9%	DH Blair
Fastenal/fasteners	9.00	14.75	9.0	8/20/87	63.9	122.1	Robert W Baird
Calgon Carbon/activated carbon	22.00	34.50	77.0	6/2/87	56.8	83.1	Shearson Lehman First Boston
Carlton Comm/electronics	16.50	24.50	75.9	1/29/87	48.5	64.8	Shearson Lehman
Intl Telecharge/tel oper assist	8.00	11.88	13.6	6/5/87	48.4	76.3	Morgan Olmstead Kennedy
Topps/chewing gum prods	13.00	19.25	22.1	5/21/87	48.1	67.9	Goldman, Sachs Alex Brown & Sons
Southstate Bank/S&L	11.00	16.25	25.3	4/22/87	47.7	71.7	Self
British Airways/airline	19.07	28.00	120.1	2/11/87	46.8	64.9	Salomon Brothers Goldman, Sachs; Prudential-Bache
Amre/home improvement prods	8.00	11.50	20.8	2/26/87	43.8	64.6	EF Hutton
Cash Amer Investmts/pawnshops	10.00	14.25	14.6	1/29/87	42.5	58.2	Eppler Guerin & Turner
Angio-Medical/pharmaceuticals	6.00	8.50	10.0	4/29/87	41.7	63.2	Keane Securities
Clean Harbors/waste cleanup	9.00	12.75	9.0	11/24/87	41.7	41.3	Robertson Colman Stephens
Fst FSB Marianna FL/S&L	7.50	10.50	5.0	4/15/87	40.0	61.2	Self
Peoples Federal/S&L	10.00	13.75	11.0	7/7/87	37.5	71.1	Self
Specialty Equip/food svc equip	12.00	16.50	31.0	7/2/87	37.5	70.1	First Boston; Bear, Stearns Prudential-Bache

The worst performers of 1987

Company/business	Offer price*	Recent price	Offer value (mil)	Offer date	% loss		Underwriters
					actual	relative to S&P 500	
Fisher Transport/trucking	$6.00	$0.44	$6.6	4/15/87	–92.7%	–91.6%	Laidlaw Adams & Peck
Antonovich Cl A/furs	9.63	1.88	7.2	3/31/87	–80.5	–77.0	Evans
Cleopatra Kohlique/cosmetics	2.50	0.50	7.0	2/11/87	–80.0	–77.5	DH Blair
Bermuda Star Line/cruise line	6.00	1.25	5.8	2/3/87	–79.2	–76.7	Drexel Burnham Lambert
LJ Simone/shoe manufacturer	8.75	2.00	6.3	6/3/87	–77.1	–72.9	Tucker Anthony & RL Day
Rise Technology/elec publish eq	6.00	1.38	6.6	3/31/87	–77.1	–72.9	McKinley Allsopp
Intellicall/telephone equip	14.00	3.25	25.2	8/25/87	–76.8	–68.4	Rauscher Pierce Refsnes
National Imaging/CT scanning equip	5.50	1.38	5.7	5/20/87	–75.0	–71.9	First United Securities
Spectramed/medical products	11.00	2.88	40.0	6/19/87	–73.9	–67.5	Alex Brown & Sons PaineWebber
Alpharel/document imaging sys	11.00	3.00	22.0	6/4/87	–72.7	–67.4	Merrill Lynch
Elexis/electronics	7.00	2.00	7.0	2/27/87	–71.4	–67.1	Advest First Equity Corp of FL
Xeta/telephone acct systems	7.00	2.00	5.6	6/17/87	–71.4	–64.8	Eppler Guerin & Turner
Cognos/computer software	16.00	4.63	27.0	7/1/87	–71.1	–64.6	Alex Brown & Sons Robertson Colman Stephens
Presto Tek/beverage machine design	5.50	1.63	5.5	1/28/87	–70.5	–67.1	McKinley Allsopp
Fashion Channel/jewelry	10.50	3.13	21.0	10/2/87	–70.2	–60.5	RG Dickinson Hanifen Imhoff

*Per common share; adjusted for splits.

Whose new issues did best? The table below ranks the performance of investment bankers by the percentage of their new issues that outperformed the S&P 500. Goldman, Sachs, which raised more new-issues money ($2.43 billion) in 1987 than any other investment banker, also was number one in performance—which isn't saying much, considering that its stocks lost money on an overall basis. Why did Goldman, Sachs lose less than the competition? Better quality, essentially. Top of its list was Topps, the chewing gum company, the $120.1 million British Airways, followed by Conrail's $1.5 billion debut, plus Himont, a polypropylene maker.

The crash, of course, hurt not only a lot of new issues but also several new-issues underwriters. One of the hottest, pre-Black Monday, was Steinberg & Lyman, which left the business after the market collapsed. The hottest new issue on Forbes' tally during the first three quarters of last year was Steinberg & Lyman's Criticare. As of Nov. 5, even after the crash, it was at $10, up 90.5% over its offering price. S&L departed from the brokerage business soon after, and by year-end, Criticare, bereft of strong sponsorship, had fallen close to its original price of $5.25. Is there a lesson here? Should investors have known Criticare was overpriced at $10? You bet.

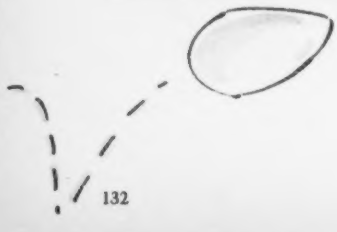
How the investment banks performed

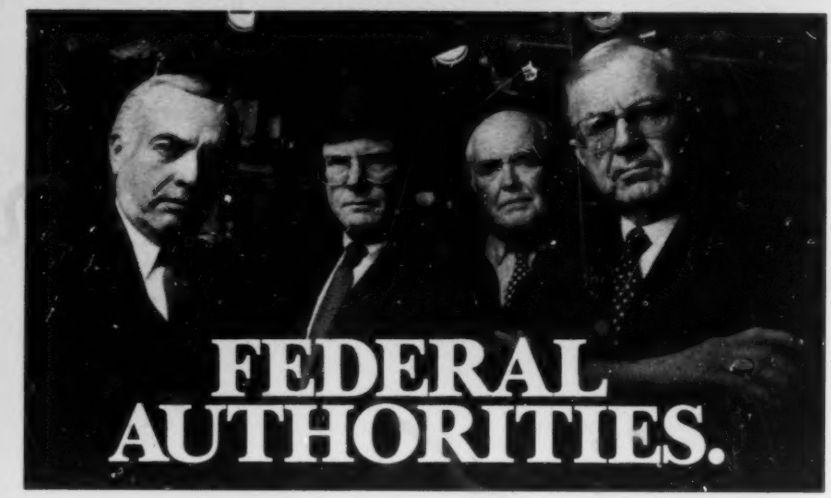
Investment bankers with at least five new issues brought to market in 1987 are ranked by the percentage of their IPOs that outperformed the S&P 500. We include only issues of at least $5 million.

			—Average performance—		—% of issues with gains—	
Rank	Underwriter*	Number of issues	actual	relative to S&P 500	actual	relative to S&P 500
1	Goldman, Sachs	21	–12.8%	4.6%	24%	57%
2	Morgan Stanley	11	–23.1	–6.0	9	55
3	Interstate Securities	6	–16.1	0.4	33	50
4	First Boston	14	–7.7	8.9	29	50
5	Montgomery Securities	10	–24.7	–11.9	20	50
6	Alex Brown & Sons	34	–18.1	–2.7	26	47
7	Salomon Brothers	17	–17.4	1.4	18	47
8	Bear, Stearns	11	–19.9	–1.5	27	45
9	Robertson Colman Stephens	11	–20.6	–6.2	18	45
10	William Blair	7	–22.8	–5.0	29	43
11	Dean Witter Reynolds	8	–25.8	–11.1	13	38
12	Shearson Lehman	30	–27.9	–13.2	10	37
13	Advest	11	–30.6	–15.4	18	36
14	Smith Barney	14	–32.0	–17.6	7	36
15	EF Hutton	12	–22.7	–8.4	17	33
16	Robinson-Humphrey†	12	–28.9	–15.3	17	33
17	Blunt Ellis & Loewi	6	–28.7	–13.0	17	33
18	Drexel Burnham Lambert	34	–32.6	–16.8	9	29
19	Prudential-Bache	14	–18.6	–2.3	29	29
20	Hambrecht & Quist	7	–34.7	–21.6	14	29
21	Merrill Lynch	34	–29.2	–13.8	12	26
22	Donaldson, Lufkin & Jenrette	8	–32.5	–18.3	13	25
23	LF Rothschild	9	–33.9	–21.1	0	22
24	PaineWebber	14	–38.7	–26.0	0	21
25	Kidder, Peabody	16	–39.5	–26.6	6	19
26	Boettcher	6	–36.8	–22.0	0	17
27	Cowen	5	–39.9	–27.6	0	0
28	McKinley Allsopp	5	–56.4	–47.5	0	0
29	Rauscher Pierce Refsnes	5	–60.6	–50.2	0	0

*The three lead underwriters on any given issue receive equal credit for that issue in Forbes' rankings. †Division of Shearson Lehman.

Sources: Forbes; Institute for Economic Research; IDD Information Services; Wilshire Associates; Trident Securities; OTC Stock Journal.

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Its price/earnings ratio at that point was a wildly lofty 33.3. Which of course does not even come close to the bloated multiples some new issues achieve.

Among S&L's offerings, Aca Joe Eastern wins some kind of prize. It came out in November 1985 at $6.25, with a P/E of 125. By the end of 1987 it was trading at 28 cents. A $100 investment would have been worth $4.48. Should you be suspicious of another S&L offering, Control Resources? At year-end this company was losing money in its asbestos cleanup business but was trading at $6.50, $4 more than its offering price two years ago. What do you think?

You'd have thought Oct. 19 might have brought a bit more sanity to the market for new issues. It brought some, but plenty of craziness remains. Last year's best-performing new issue, for example, Quadrax, was a company trying to develop a thermoplastic fiber for the aerospace industry. Though there were no earnings and no product to market, its shares were up 64% for the year.

The worst new issue of 1987 was underwritten by Laidlaw Adams & Peck: Fisher Transportation Services, an Arkansas-based trucking company. Its stock price fell almost 93%, from $6 to 44 cents per share after it was discovered that the company had misstated its financials.

Second worst was Antonovich, Inc., a fur retailer that left investors out in the cold when spiraling expansion costs resulted in increased losses. This collapsed the stock price by 80% of the offering. The brothers Antonovich—Daniel and David, chairman and president, respectively—we hasten to add, managed to keep warm amid their company's debacle. They had sold 250,000 shares as part of the offering, reaping a hot $2.2 million.

With news like this, prospects for the new-issues market this year are dismal. Which may be bad news for underwriters but is probably good news for investors, who by and large do badly, whether the new-issues market is going up, down or sideways. ■

tration approval last year to begin human trials of an AIDS vaccine. Ribi ImmunoChem Research of Hamilton, Mont. is conducting clinical trials on a vaccine to treat melanoma, an often fatal form of skin cancer contracted by an estimated 25,000 people last year, killing some 5,800. "By injecting a person with inactivated melanoma cells," says Jon A. Rudbach, the company's vice president of research and development, "they might be able to develop an immune response to allow them to fight the cancer."

At the Immune Response Corp. in La Jolla, Calif., Dr. Jonas Salk, who developed the first polio vaccine, is also working on a treatment for AIDS that might allow a person with the disease to build antibodies to fight it.

And Praxis Biologics of Rochester, N.Y. has even received permission from the FDA to begin human testing of an injectable vaccine against traveler's diarrhea. But don't get your hopes up. The project has been put on a back burner.

But as good as vaccines are getting, none are effective if people don't get them. According to Dr. Walter Williams, a medical epidemiologist with the Centers for Disease Control, a 1985 adult immunization survey found that only 20% of those at greatest risk for flu and pneumococcal pneumonia actually got the vaccine.

With risks few and more insurers willing to reimburse most of the cost of the vaccines, it's irresponsible not to go for as much disease protection as possible. **—Francesca Lunzer**

Sotheby's Art Market Trends

Index sectors	Jan 1988	One month ago	One year ago	Two years ago	Five years ago	One month % change	One year % change	Two year % change	Five years % change	Five years average annual % change
Old Master paintings	373	373	329	290	205	nil	+13.4	+28.6	+82.0	+12.7
19th-century European paintings	323	323	279	249	184	nil	+15.8	+29.7	+75.5	+11.9
Impressionist & Post-impressionist art	723	723	490	380	267	nil	+47.6	+90.3	+170.8	+22.0
Modern paintings (1900-1950)	757	757	512	364	245	nil	+47.9	+108.0	+209.0	+25.3
Contemporary art (1945 onward)	609	609	551	497	342	nil	+10.5	+22.5	+78.1	+12.2
American paintings (1800-pre-WWII)	871	871	698	667	450	nil	+24.8	+30.6	+93.6	+14.1
Continental ceramics	331	331	290	284	266	nil	+14.1	+16.5	+24.4	+ 4.5
Chinese ceramics	581	581	526	486	436	nil	+10.5	+19.5	+33.3	+ 5.9
English silver	381	381	343	306	209	nil	+11.1	+24.5	+82.3	+12.8
Continental silver	220	220	201	181	139	nil	+ 9.5	+21.5	+58.3	+ 9.6
American furniture	469	459	451	330	213	+2.2	+ 4.0	+42.1	+120.2	+17.1
French & Continental furniture	319	319	299	273	234	nil	+ 6.7	+16.8	+36.3	+ 6.4
English furniture	657	634	517	419	267	+3.6	+27.1	+56.8	+146.1	+19.7
Aggregate index*	514	512	407	344	253	+0.4	+26.3	+49.4	+103.2	+15.2

Basis: 1975 = 100 ($).

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*Contemporary art was added to the Art Index in September 1987. The aggregate index excludes this category prior to that date.

Sotheby's Art Market Trends reflect subjective analyses and opinions of Sotheby's art experts, based on auction sales and other information deemed relevant. Nothing in Sotheby's Art Market Trends is intended as investment advice or as a prediction or guarantee of future performance or otherwise.

Monthly highlights

Art market activity in January centered in New York with auctions of English furniture, Old Master drawings, Old Master paintings and Americana. The major series of sales of American folk art, silver, furniture, and decorations, paintings and prints—Americana—held at the same time as the New York Winter Antiques Show, attracted crowds of collectors. The results showed a record for a single session of folk art as well as a folk art painting when $852,500 was paid for a double portrait of a Connecticut merchant and his daughter by John Brewster, Jr.

Sales of Chinese Export porcelain proved extremely successful. American private collectors secured the top pieces, including the highest-priced lot, an 18th-century Armorial charger at $132,000, a record for Chinese Export porcelain sold in America.

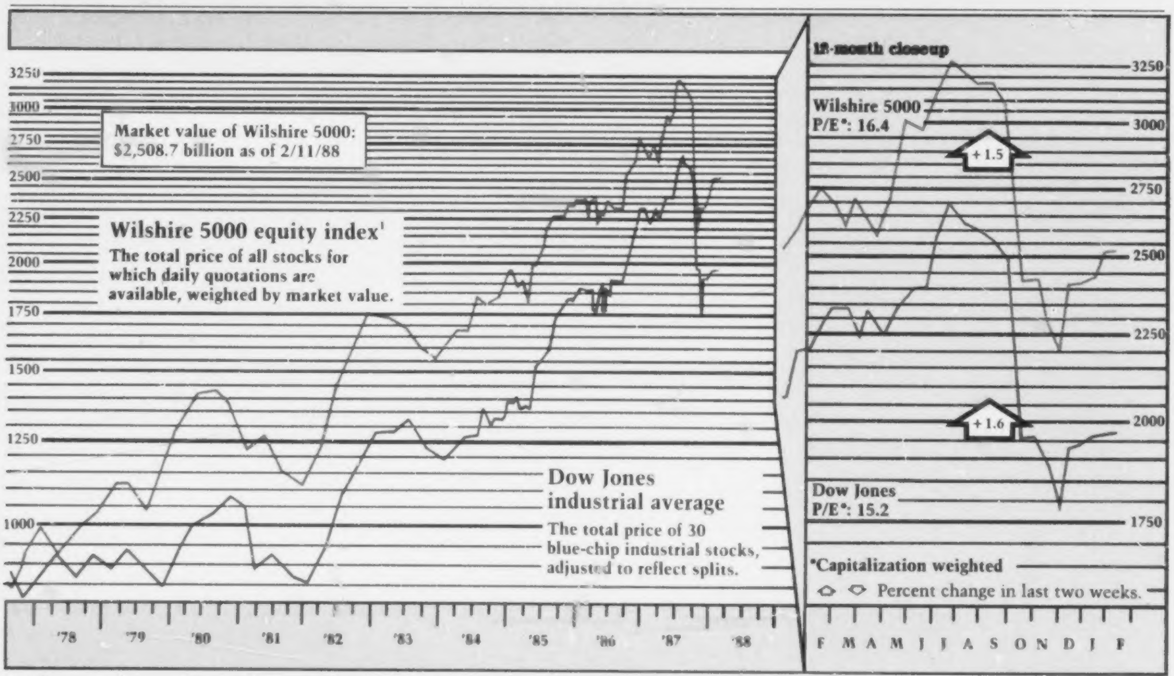
Index highlights

Old Master paintings sales achieved several record prices. Highlights included $6.6 million for a still life by the 17th-century Dutch artist Jan Davidsz. de Heem. But the sales also revealed the market to be more selective this year. Buyers were prepared to pay high prices for first-rate Old Master paintings in good condition that had not been seen on the market for some time, but there was some resistance to other works. Strong private buying counterbalanced weaker demand from dealers.

A slight trend surfaced in the English furniture sales, with buyers gravitating toward more conservative examples, such as walnut and mahogany pieces from the mid-Georgian period. Prices leveled somewhat for fashionable, highly decorative items, compared with the high sums seen last year.

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Evidence of an improving trade deficit buoyed Wall Street over the last two weeks. On Feb. 12 the Commerce Department reported that the December merchandise trade deficit fell to $12.2 billion. Helping to close the trade gap were record U.S. exports and shrinking imports from OPEC.

There was other encouraging news—good earnings. While the Wilshire index of 5,700 issues rose 1.5% over the last ten trading days, earnings gains were sufficient to push down the price/earnings ratio from 16.5 to 16.4. The Forbes Sales 500, an index of the 500 largest U.S. corporations, climbed 1.1% while the P/E on this indicator also declined slightly. Whatever caused the October crash, it probably wasn't earnings declines. And the Institutional Brokers Estimate System reports that investment strategists (analysts who make broad predictions about the economy) are now expressing a little more optimism about corporate earnings in 1988.

Closeup On the Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	4.5	4.4	2.4	4.4	4.0	5.0
in last 52 weeks	–9.3	–7.8	–9.4	–8.6	–12.7	–14.2

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	5.8	8.4	11.0	5.8	4.9	7.4	6.1	8.9	11.4	6.7	5.9	7.3
in last 52 weeks	–5.9	9.6	11.3	5.4	–12.1	–8.6	–5.4	16.2	13.5	–2.6	–4.3	7.0

[1] Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2] Based on sales. [3] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 2/11/88. Prepared by Wilshire Associates, Santa Monica, Calif.

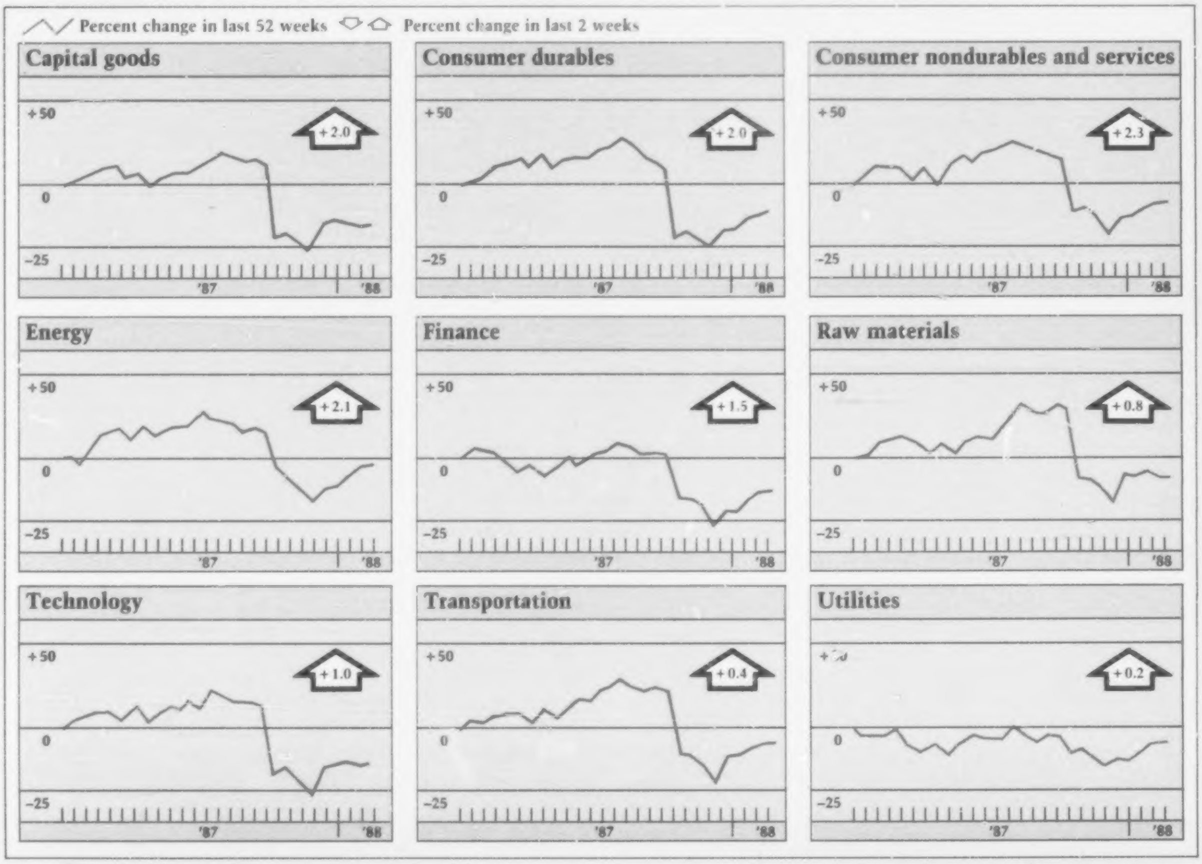
Gas French

Where the Action Is

Recession wasn't in Wall Street's vocabulary as investors pushed up consumer, raw materials and energy stocks during the last two weeks. The best gain was posted by the consumer nondurables sector, which rose 2.3%. The hottest stocks in this group were Wendy's International, Nike and Zayre.

Bruno's, which recently reported a 40% increase in its second-quarter earnings, was up 21%. Stop & Shop Cos., which is being sought by the Haft family, gained 17.5%. Leading the consumer durables sector was Firestone Tire & Rubber, which scored a 17.5% gain.

After a sharp rise in January, utility stocks inched up 0.2%. But Metro Mobile CTS jumped sharply again, along with other cellular communication stocks.



What the Analysts Think

A brightening trade balance prompted security analysts to make minor upward adjustments in their 1988 estimates for the raw materials and consumer durables sectors. Among the issues with higher forecasts: Armtek, First Mississippi, Fluor, General Motors, Honda, Inco, Inland Steel, International Aluminum, Laclede Steel and LTV.

Forecasting the Forbes Sales 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.40	15.6
1988 estimates	3.54	10.6
1989 estimates	4.13	9.8

Rank based on change in estimate	Sector	Estimated 1987 EPS	P/E	% change in 1987 estimate in 2 weeks	in 4 weeks
1	Raw materials	$2.87	11.0	0.70%	1.07%
2	Consumer durables	3.84	12.2	0.10	2.42
3	Utilities	3.04	10.0	–0.06	–0.41
4	Capital goods	2.53	13.9	–0.10	0.86
5	Consumer nondurables	2.56	12.6	–0.12	–0.78
6	Finance	3.61	7.4	–0.41	–1.91
7	Transportation	2.48	11.4	–0.59	–0.47
8	Energy	2.80	12.7	–0.64	–1.45
9	Technology	2.92	11.2	–0.74	–1.13

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continually by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 2/11/88. Prepared by Wilshire Associates, Santa Monica, Calif., IBES, a service of Lynch, Jones & Ryan, New York.

The Forbes/TUCS Institutional Portfolio Report

Edited by Steve Kichen

PENSION FUND MANAGERS took a shellacking in the fall, just like the rest of us. But say this for the pros: They didn't panic the way small investors did. In the final quarter of last year, institutions did more stock buying than selling *(see table at right, "Segment performance and cash flows")*. Contrast that with the huge increase in mutual fund redemptions that followed the crash.

The percentage of institutional portfolios invested in equity as of the end of the third quarter of 1987, 62.7%, was at a five-year high. Yet this warning sign was largely ignored. "A 30% return in the equity market tends to draw flies. It appeared that we were in one of the great bull markets of all time," remarks Dale Stevens, a vice president at Santa Monica, Calif.-based Wilshire Associates. Wilshire's Trust Universe Comparison Service keeps tabs on about 20% of U.S. pension money.

True, as the section at right indicates, professional investors increased their cash holdings by 11.4% in the last quarter of 1987 and by 52.9% for all of 1987. "But," says Stevens, "there were still plenty of them at the party when the cops got there."

The best managers during the fourth quarter, it seems, were the market timers, who turned in an average 19.2% loss. But that wasn't much better than the 23.1% loss on the Wilshire 5000. The timers, moreover, even if they were all just making wild guesses, would presumably have entered the crash with a higher cash position as a group than managers following other styles. The group's average return, then, doesn't say much for the idea of timing.

At year's end, institutions had 10.4% of their portfolios in cash. Fixed-income securities rose from a 26.5% weighting Sept. 30 to 31.7% Dec. 31. On balance, the money men were in fact liquidating bond holdings, as the -2.3% figure under "Segment performance/shift in holdings" shows. The increased weighting for bonds, in other words, merely reflects the resurgence of bond prices and the collapse of stock prices. Similarly, equity dropped sharply, to 56.7% of the typical portfolio *(see top box)*.

The worst investments in the quarter were stocks and convertibles, with total returns of -23.5% and -17.3%, respectively. But there were ways to make money in the fourth quarter. The total return from fixed-income investments was 5.2%, about half from appreciation resulting from declining interest rates.

How different managers performed

Manager style	Total return[3] recent quarter	12 months	24 months[4]
Diversified	-21.1%	4.1%	10.9%
Growth	-22.4	5.7	10.8
Growth—emerging	-22.6	1.1	5.7
Market timer	-19.2	4.0	11.4
Sector rotator	-20.0	4.6	10.2
Value	-22.1	0.9	9.7

Where the institutions put their money

Segment	—Portfolio weighting— most recent quarter	previous quarter
Equity	56.7%	62.7%
Fixed income	31.7	26.5
Cash and equivalents	10.4	9.6
Convertibles	0.8	0.8
Other[1]	0.4	0.4

Equity portfolio characteristics

	Institutional portfolios	Wilshire 5000
Price/earnings ratio	14.6	13.5
Dividend yield	3.3 %	3.5 %
Beta[2]	1.07	1.06
Price/sales	1.08	1.05
Price/book	2.55	2.40

Segment performance and cash flows

Segment	—Most recent quarter— median total return	shift in institutional holdings	—Latest 12 months— median total return	shift in institutional holdings
Equity	-23.5%	0.9%	2.9%	-3.6%
Fixed income	5.2	-2.3	2.5	-10.2
Cash equiv	1.8	11.4	6.9	52.9
Convertibles	-17.3	-1.0	-2.9	0.3
Other[1]	1.5	-3.2	5.5	-6.4
Total	-11.2	-1.9	4.1	-6.3

Position changes: These securities had the greatest relative change in holdings over the last quarter

Security	Increase in holdings	Total quarter return	Security	Decrease in holdings	Total quarter return
Eastman Kodak	2.7%	-27.2%	**Squibb**	-2.8%	-38.7%
Cray Research	2.7	-23.8	**Ford Motor**	-2.4	-22.0
Tele-Commun	2.2	-9.6	**Merck & Co**	-2.0	-23.0
Farmers Group	2.2	-16.0	**Digital Equip**	-1.9	-28.9
Burlington Nthrn	2.2	-19.1	**Coca-Cola**	-1.8	-20.6
Texas Instr	2.0	-25.2	**BellSouth**	-1.7	-12.5
General Re	2.0	-5.0	**IBM**	-1.7	-22.7
Alcan Aluminium	1.8	-24.6	**EI du Pont**	-1.6	-26.0
Deere & Co	1.8	-10.6	**Limited**	-1.6	-51.9
Alcoa	1.8	-23.6	**Procter & Gamble**	-1.5	-14.5

[1] Real estate, foreign investments, venture capital, guaranteed insurance contracts. [2] A measure of risk. A stock with a beta of 1.00 tends to move up or down at the same rate as the S&P 500. [3] Includes all forms of investments. [4] Figures for 24 months are annualized.
Note: Data for quarter ending 12/31/87. Prepared by the Trust Universe Comparison Service (TUCS®), a service of Wilshire Associates, Santa Monica, Calif.

Where the institutions are—and aren't

Most overweighted relative to Wilshire 5000			Most underweighted relative to Wilshire 5000		
	% of			% of	
Security	institutional universe	Wilshire 5000	Security	institutional universe	Wilshire 5000
Digital Equipment	1.3%	0.8%	IBM	2.0%	4.3%
Apple Computer	0.5	0.2	Exxon	1.0	3.0
Alcoa	0.5	0.2	Matsushita Electric ADR	0.0	1.3
Intel	0.5	0.1	Hitachi ADR	0.0	1.1
Philip Morris	1.3	1.0	General Electric	1.3	2.3
Caterpillar	0.5	0.2	British Petroleum ADS	0.2	1.2
Tele-Communications	0.4	0.1	AT&T	0.6	1.6
Cray Research	0.5	0.1	Royal Dutch Petroleum	0.6	1.5
K mart	0.6	0.3	BellSouth	0.3	1.1
Texas Instruments	0.4	0.2	Glaxo Holdings ADR	0.0	0.7

Market pros have been grabbing shares of Kodak and Cray Research. Both are old-time institutional favorites that turned into seeming bargains after the crash. Kodak got as low as 41⅞, off 41% from its early October high. Cray just reported an 18% earnings gain for 1987 and was recently available for 75⅞, a 44% discount from its high.

Cable operator Tele-Communications has been accumulating pension portfolios, as have Farmers Group and Burlington Northern, which are, respectively, actual and potential takeover targets.

Sector activity and top holdings

% of institutional portfolio: ■ most recent quarter ▨ previous quarter

Capital goods	5.3% 6.3%	**Consumer durables**	4.1% 4.2%	**Consumer nondurables**	27.9% 28.8%
	total return		total return		total return
General Electric	–27.7%	General Motors	–24.5%	Philip Morris	–27.5%
Caterpillar	–15.4	Ford Motor	–22.0	Merck	–23.0
Emerson Electric	–13.8	Chrysler	–45.9	Eastman Kodak	–27.2
Westinghouse Electric	–31.5	Goodyear Tire & Rubber	–15.5	Sears, Roebuck	–34.5
Deere & Co	[illegible]	Whirlpool	–32.1	Wal-Mart Stores	–31.3
Energy	7.4% 7.8%	**Finance**	14.3% 11.8%	**Raw materials**	14.6% 15.6%
	total return		total return		total return
Exxon	–20.7%	American Express	–35.9%	Dow Chemical	–14.3%
Atlantic Richfield	–25.8	General Re	–5.0	Waste Management	–18.9
Mobil	–19.2	Citicorp	–33.9	EI du Pont de Nemours	–26.0
Amoco	–14.5	AIG	–24.8	Minnesota Mining & Mfg	–20.7
Chevron	–25.4	Loews	–29.8	Alcoa	–23.6
Technology	15.7% 15.1%	**Transportation**	3.9% 4.1%	**Utilities**	6.8% 6.4%
	total return		total return		total return
IBM	–22.7%	Norfolk Southern	–23.0%	AT&T	–19.1%
Digital Equipment	–28.9	Burlington Northern	–19.1	Pacific Telesis Group	–16.5
Hewlett-Packard	–17.3	Union Pacific	–32.0	Nynex	–15.1
Motorola	–28.6	CSX	–24.4	Southwestern Bell	–20.6
Apple Computer	–25.5	Santa Fe Southern Pacific	–27.4	GTE	–13.2

As a vehicle for diversifying, global bond funds make some sense. But don't buy just because they were up a lot last year.

Bond voyage

By John Heins

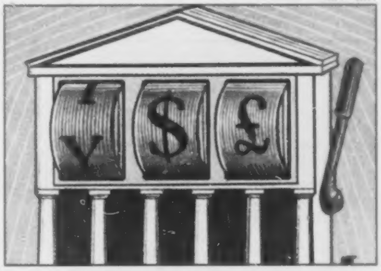
THE PAST 12 MONTHS were good to mutual funds investing in foreign fixed-income securities. The yen's and mark's rise of 20% and 7%, respectively, against the dollar made international bond fund managers look smart. T. Rowe Price International Bond Fund, for example, delivered a total return (interest plus capital gains and losses) of 18.5% in the 12 months ended Jan. 28. Domestic bond funds were lucky to return 5%.

The October crash also helped, pushing up bond prices worldwide as burned stock buyers looked for a safe harbor. For all of 1987, open-end global bond funds tracked by Lipper Analytical Services were up nearly 21%, bested only by gold funds and option growth funds.

As you might expect, investors are rushing in, and fund sponsors are rushing to sell to them. The number of foreign bond funds more than tripled last year, to 25, while fund assets rose four times, to $2.4 billion. A backlog of registrations for new, similar funds has piled up at the Securities & Exchange Commission.

So why is Alan Brown, manager of the Shearson Lehman Global Bond Portfolio fund, complaining? "What concerns me is that people are investing with us for the wrong reason, just as a short-term play on the dollar's going down," Brown says. "The more prudent long-term argument is that you shouldn't keep all your eggs in one basket."

Marc Taffet



Playing world bond markets

Avoiding U.S.-dollar bonds paid off for global bond fund managers as the dollar fell. Below, the largest funds, with managers' current bets against the dollar.

Fund	Total return (latest 12 months)	Non-U.S. holdings[1] (% of portfolio)	Maximum load
T. Rowe Price International Bond	18.5%	76%	none
PaineWebber Master Global Income	17.2[2]	90	5.00%[3]
Mass. Financial Intl Trust-Bond	15.1	75	7.25
Merrill Lynch Global	14.2	93	4.00[3]
Intl Cash-Global Cash	14.2	75	1.25
Shearson Lehman Global Bond	13.3	25	5.00[3]
Fidelity Global Bond	11.8	71	none
Templeton Income[4]	4.9	43	8.50
Salomon Brothers World Govt Bond Index	14.3		

[1] Net foreign currency assets, after hedging. [2] Started operation 3/27/87.
[3] Back-end load. [4] Balanced fund.

Sources: Lipper Analytical Services; Salomon Brothers; funds

Brown makes a good point. U.S. issues make up roughly half of the better than $7 trillion worldwide debt market. Foreign bonds obviously won't always outperform U.S. bonds or always benefit from a falling dollar, but they will often move in different directions and with different magnitudes. In theory, then, it should be possible to create an internationally diversified basket of bonds that offers as much in expected returns as a fairly aggressive U.S.-only portfolio, but with slightly less volatility.

Last year the total return on U.S. government bonds was 1.9%. Without currency gains, Australian bonds returned 18.8%, British bonds 15.5%. In U.S. dollar terms, the gains were much higher. There will be years when foreign bonds perform terribly for U.S. investors, of course, but international diversification should deliver a better reward-to-risk ratio over the long pull. "Not looking at foreign bond markets is like only buying stocks with ticker symbols from A to K and ignoring everything else," says Brown. He says a U.S. investor should put about 25% of his total fixed-income holdings in foreign bonds.

Most foreign bond funds are so-called global funds, which invest in the U.S. as well as in foreign markets. But beyond that, the funds are often structured differently. The Templeton Income Fund, for example, competes for the same customers but is better described as a balanced fund. It puts a third of its assets in equities. Huntington Advisers' International Cash funds invest only in money market instruments and offer both diversified and single-currency portfolios.

Current market theories also differ. Edward Taber, portfolio manager of T. Rowe Price's International Bond Fund, and Nimrod Fachler, who runs the PaineWebber Master Global Income Fund, are U.S. dollar bears. Taber likes British and Dutch bonds. Fachler likes Australian bonds, which delivered a 29% total return to U.S. investors last year.

James Hocking, who runs Templeton Income Fund, disagrees. He has 55% of his bond holdings in the U.S., betting that a slower economy will lead to a further fall in U.S. interest rates. Brown of Shearson is even more bullish on the U.S. dollar, with some 75% of his portfolio either in dollar securities or in foreign securities with offsetting currency hedges.

As with U.S. bond funds, investors need be wary of yield figures, since these can be made artificially high at the expense of the investor's capital. Taber's fund, for instance, has been buying U.S. Treasurys with coupons of around 15% that mature in one to two years. Since these don't have a better yield to maturity than other short-term Treasurys, the high coupon is offset by a loss of principal.

What's the right number to look at? Total return? This is a better measure of performance, but even it can be misleading. Most of the performance for a global bond fund over a short period is due to currency fluctuations. A terrific 12-month total return may show nothing more than that the dollar was weak last year.

"Look, the dollar has been generally weak," says Fachler of PaineWebber. "The trick will be how to [make excellent returns] when the dollar is relatively strong." The investor, then, is wise to look at total return, but only alongside the performance of the dollar over the same period.

What else? Fees. Sales loads and/or annual expenses on foreign bond funds can be very high. Many of the biggest funds—T. Rowe Price's and Fidelity's are notable exceptions—have front- or back-end loads and have annual expense ratios of as high as 2% of net assets. Huntington Advisers' Global Cash fund charges a 1.25% sales charge and has a more than 1.5% annual expense ratio—all for a fund currently yielding about 4%.

Liquidity can be a problem, although not with government issues from the bigger markets of Japan, Britain and West Germany. In November Fachler of PaineWebber had to buy $40 million worth of Spanish treasury bills almost entirely at auction, because the secondary market was so thin. It turned out to be an excellent investment, but had the market turned sharply against him, or if he had had to sell the bills because of heavy redemptions by fund holders, Fachler says, it would have been hard to get a decent price.

Liquidity, of course, would be all the greater a problem for individuals buying foreign bonds directly. So would foreign withholding taxes, which funds often circumvent by selling—with the agreement to buy back later—just before a coupon is paid. ■

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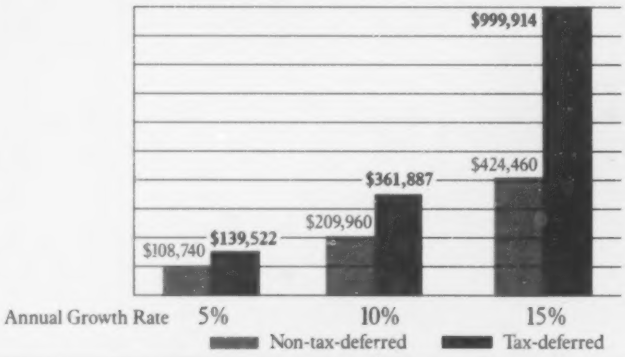

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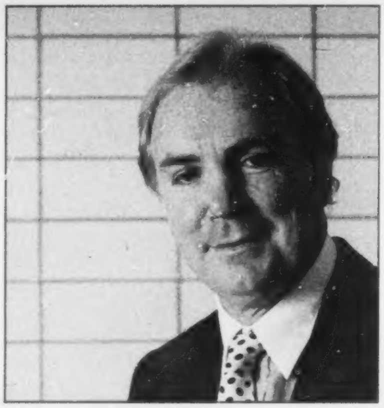

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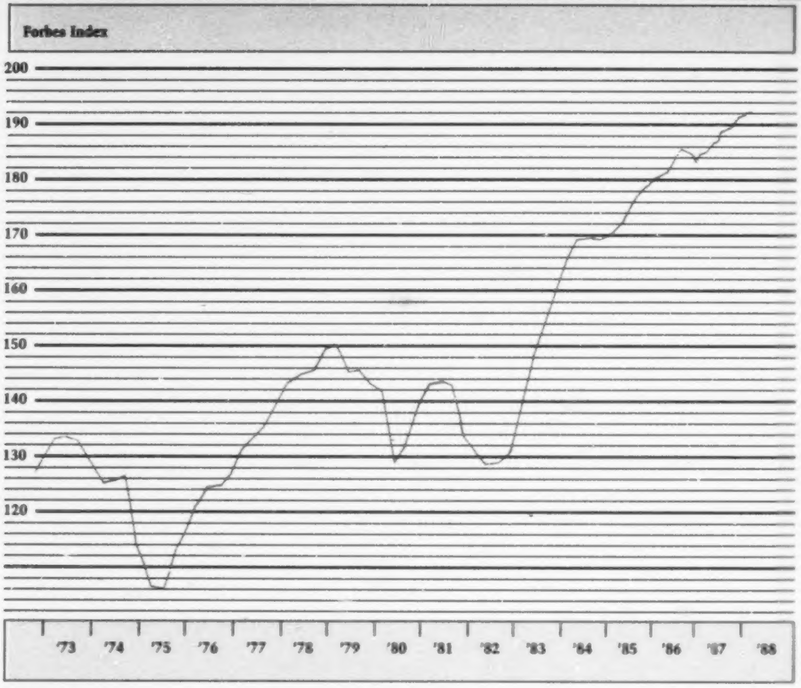
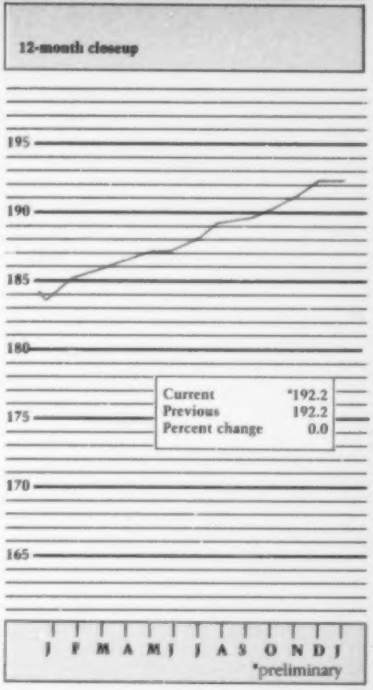
The Forbes Index





Current	*192.2
Previous	192.2
Percent change	0.0

*preliminary

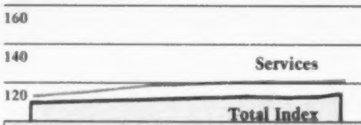
A leveling out, perhaps only temporary. The preliminary January Forbes Index shows no change from December. But the string of 11 straight months without a decline may last a little longer. That's because once the January figure for consumer installment credit is finally reported, it is likely to give the Index an upward nudge.

The Department of Labor has revised the Consumer Price Index. The new index replaces the base year 1967 with average prices from 1982 to 1984. The CPI rose 0.3% in January, to 115.7. But the services component of the index climbed nearly 0.6%. The trailing 6-month total of initial unemployment claims declined 0.8% in January, to 445,000. But this figure is 18% higher than it was in January 1987.

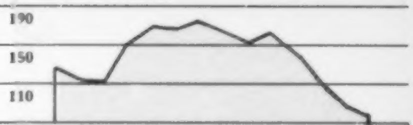
The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

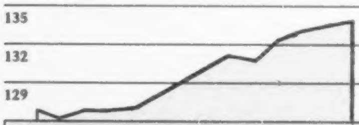
To measure these eight elements, Forbes monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



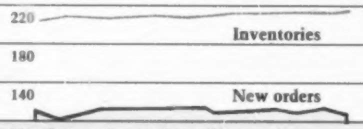
Consumer price indexes (1982-1984 average = 100) all urban consumers, unadjusted (Dept. of Labor)



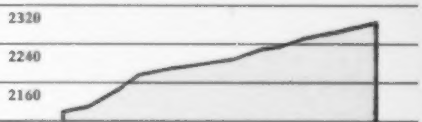
New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)



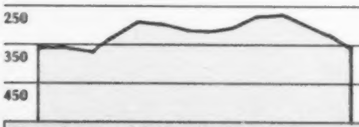
Industrial production index (1967 = 100) seasonally adjusted (Federal Reserve)



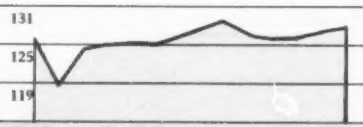
Manufacturers' new orders and inventories ($billions) seasonally (Dept. of Commerce)



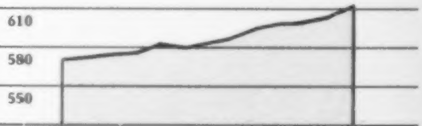
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)



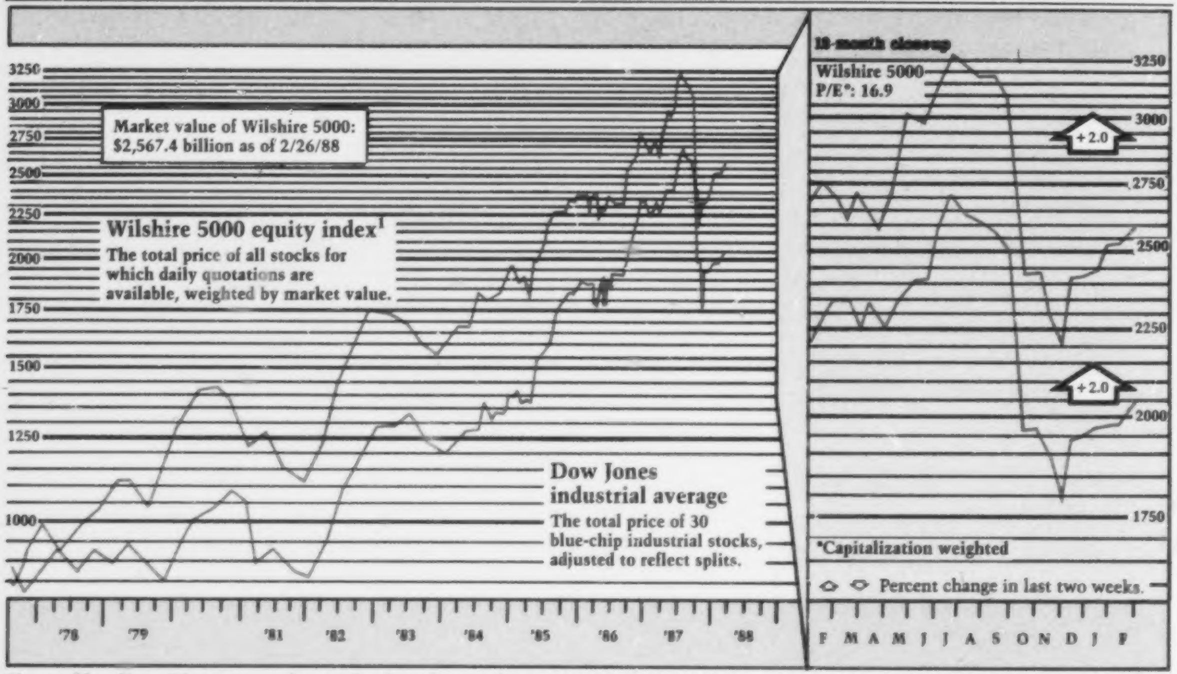
Retail store sales ($billions) seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Signs of healing. The Dow industrials closed over the 2000 mark in six successive sessions during the two-week period covered by this report. And they ended the month of February at a new high since the crash. As of Feb. 26, the recovering Dow showed a loss of 9.7% for the previous 52 weeks, while the Nasdaq was off 14.5% and the Amex 11.6%. During the last four weeks secondary issues outperformed blue chips. For the same period the Dow was up 3.3% and the NYSE 2.5%, while the Amex gained 5.7% and the Nasdaq 5.4%. The yardsticks below show that investors were taking more chances. For example, over the last four weeks high-volatility stocks rose 7.1%, while low-volatility shares gained 2.1%. And high-P/E stocks increased 7.9%, vs. 4.2% for low-P/E issues.

The Wilshire P/E is now up to 16.9, matching the postcrash mark reached early in November. The precrash P/E peaked at 23 in August. Since that euphoric point, earnings are up slightly, prices down considerably.

Closeup On the Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500²	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	2.9	1.7	3.3	2.5	5.7	5.4
in last 52 weeks	–9.7	–8.7	–9.0	–8.8	–11.6	–14.5

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility³		P/E multiple		Dividend yield		Growth profile⁴		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	4.3	6.5	7.1	2.1	7.9	4.2	2.3	7.9	7.8	4.1	5.7	7.7
in last 52 weeks	–5.8	9.0	11.4	4.1	–10.4	–8.8	–5.1	18.1	13.2	–1.2	–3.3	9.1

[1] Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2] Based on sales. [3] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

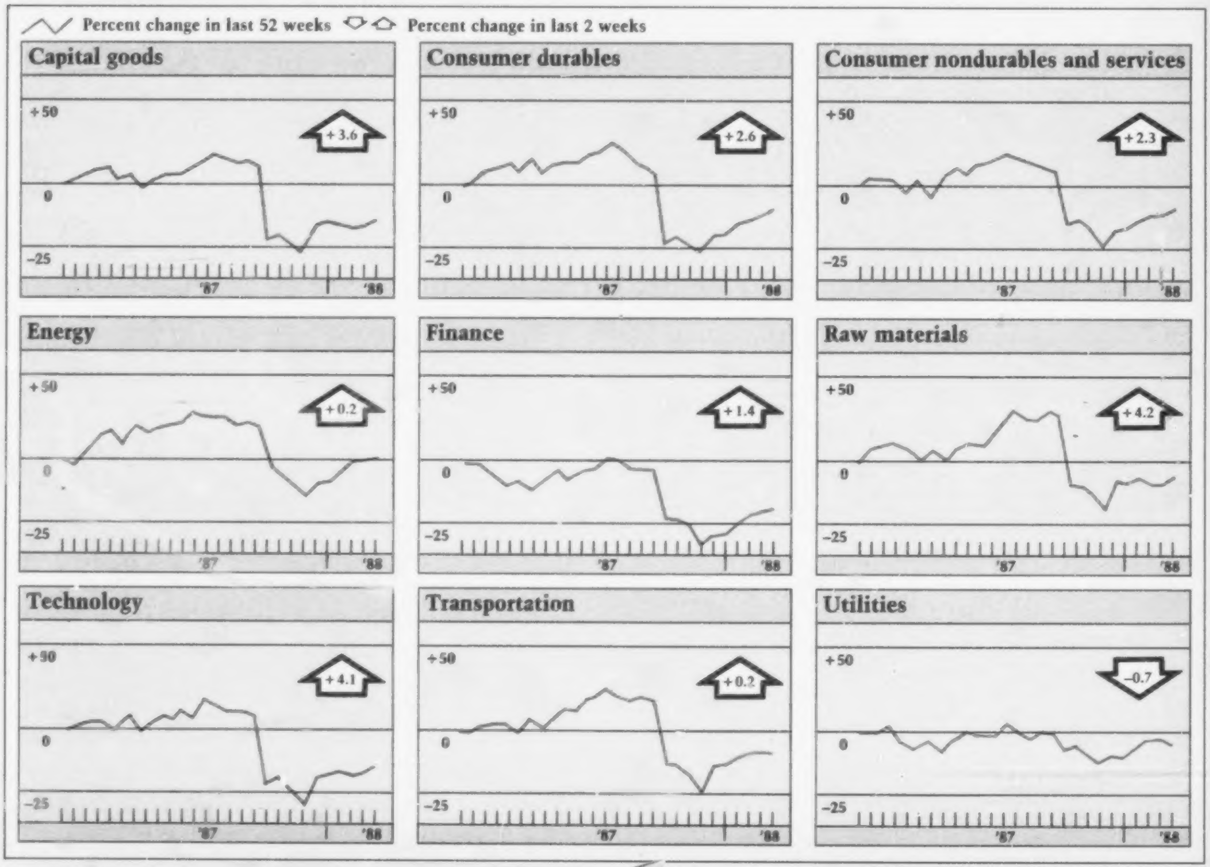
Note: All data for periods ending 2/26/88. Prepared by Wilshire Associates, Santa Monica, Calif.

Gay French

Where the Action Is

Raw materials and technology led the market over the last two weeks with gains in excess of 4%. USG Corp., which makes gypsum wallboard, and AFG Industries, a flat-glass manufacturer, rose more than 27%. The former is the subject of a buyout offer from Desert Partners, which is controlled by Cyril Wagner Jr. and Jack E. Brown. AFG is the subject of a buyout offer from its chief executive, R.D. Hubbard, who once worked with Wagner and Brown on a takeover offer for Lear Siegler.

Advanced Micro Devices, Measurex, Sundstrand and Tandem Computers led technology with double-digit gains. The only sector to lose ground was utilities, which fell 0.7%. Public Service Co. of New Mexico fell 16% as the company reported sharply lower fiscal earnings.



What the Analysts Think

Third thoughts. After the crash, security analysts slashed 1988 earnings estimates. Now the experts are changing their minds again. In the last two weeks estimates were raised for four sectors. Most favored is raw materials with International Minerals & Chemical, Texas Industries and Phelps Dodge showing the largest estimate increases.

Forecasting the Forbes Sales 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.41	15.9
1988 estimates	3.54	10.8
1989 estimates	3.92	10.0

Rank based on change in estimate	Sector	Estimated 1988 EPS	Estimated 1988 P/E	% change in 1988 estimate in 2 weeks	% change in 1988 estimate in 4 weeks
1	Raw materials	$2.90	11.4	0.76%	1.47%
2	Consumer durables	3.82	12.7	0.41	0.51
3	Energy	2.96	12.7	0.34	–0.30
4	Capital goods	2.55	14.5	0.25	0.15
5	Utilities	3.04	9.9	–0.09	–0.15
6	Consumer nondurables	2.56	13.0	–0.13	–0.24
7	Technology	2.91	11.7	–0.28	–1.02
8	Finance	3.57	7.6	–1.00	–1.41
9	Transportation	2.49	12.0	–1.31	–1.91

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continually by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 2/26/88. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

Do you know the first day you could get a delivery notice on your long bean contracts? Frank Taucher's 1988 Almanac will tell you that—and lots more.

READY REFERENCE

By Stanley W. Angrist

Commodity traders are up to here with stuff that offers to increase their trading prowess—trading systems, market letters, telephone hot lines, computer programs—you name it. But what every trader must have at hand—and surprisingly often does not—is a ready reference work that gives contract specifications, first notice and delivery days, dates of crop reports and the like, facts on futures that you must know to avoid doing something stupid.

Commodity Trader's Almanac for 1988 is a comprehensive fact book, and then some. Frank Taucher, the editor, also provides, for each week in the year, a collection of trades—outrights and spreads—that have proved 100% reliable over the last five years. The *Almanac* is worthwhile for its basic information alone; the addition of the seasonal trades makes it a best buy. The average profit of each of the outright trades has been $1,318. On each of the spreads, it has been $1,091.

For example, the *Almanac* suggests buying July cotton on Mar. 7 and selling it on May 23. Over the last five years this trade has produced an average profit of $3,299, with a maximum drawdown of only $500. The margin is $1,000.

The *Almanac* also suggests a number of interesting spreads. For example, the table shows one that calls for buying June hogs while selling June cattle on Mar. 31 and closing on May 23. The margin is $700.

The *Almanac* can be ordered for $75 by calling 918-493-2897.

There probably are several thousand technical methods (those that depend on prices, price patterns and the like rather than on fundamentals) that can be used to trade. Perry G. Kaufman, a longtime trader and writer on the commodities markets, has recently written an excellent book, *The New Commodity Trading Systems and Methods* (John Wiley & Sons, $39.95), that can serve as a reference for technical systems. To get the most good from it, one should understand how to place orders and be familiar with the mechanics of trading in these markets.

The book is designed to allow the reader to develop his own technical trading system. While this might sound like a formidable task—it certainly isn't an easy one—Kaufman provides you with all the tools necessary to carry it out. A reader with a good background in high school mathematics can follow nearly the entire book.

One section worth particularly close attention is ironically titled "Just Because It Doesn't Work in Practice Doesn't Mean It Won't Work in Theory." There, Kaufman lists his six rules of system development. He cautions that many traders still lose money even after they follow the given rules. Such failures, he thinks, probably come from cutting corners in the designing and testing of the system.

Example: Someone examining test results might notice that a system fails because of one or two large losses. He may then be tempted to impose a filter on the system so that these losses are eliminated. Wrong, wrong, wrong! Self-deluding nonsense. That is nothing more than curve-fitting—making the system fit the past perfectly, but at the cost of false confidence in the future. Kaufman's book has a number of such sections to help guide you to realistic system design. ■

Stanley W. Angrist is a commodity speculator, consultant and longtime observer of the commodity markets.

Hogs beat cattle

Frank Taucher's *Commodity Trader's Almanac* suggests that June hogs be bought and June cattle sold as a spread on Mar. 31, and that the spread be closed on May 23. This spread has provided a profit in each of the last five years. The two contracts are of different sizes (30,000 pounds for hogs, 40,000 for cattle).

	Prices*							
	Hogs		Cattle		Spread value			
Year	bought	sold	sold	bought	entry	exit	Profit	Maximum drawdown
1983	52.10	49.37	69.62	66.67	$–12,220	$–11,858	$362	$–453
1984	57.62	53.45	69.32	66.10	–10,443	–10,405	38	–163
1985	49.02	48.30	66.37	63.15	–11,843	–10,770	1,073	–173
1986	43.82	48.30	58.25	55.15	–10,153	–7,570	2,583	0
1987	47.82	57.10	63.42	67.42	–11,023	–9,840	1,183	–445

*Expressed in cents per pound.

THE AIR FREIGHT PARADOX
SOARING VOLUME,
THIN PROFITS

APRIL 4, 1988
THREE DOLLARS SEVENTY-FIVE CENTS

C3950-1
3/24/88

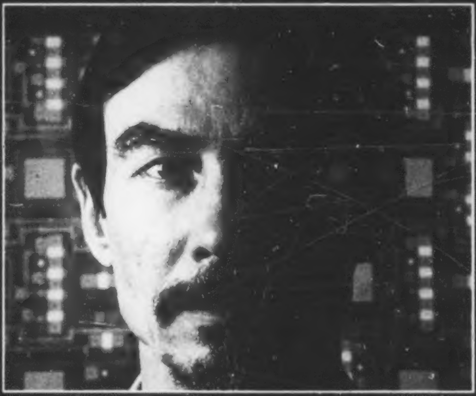
Forbes

SILICON COMPILING

CARVER MEAD'S POWERFUL VISION

The current transition in electronics promises a 10,000-fold increase in the cost effectiveness of computing in the next decade and 10 billion transistors on a single piece of silicon.

These developments open opportunities for entrepreneurial creativity and invention unprecedented in the entire history of technology. The new opportunities tend to favor the creative strengths of the U.S.



Yet the total capital cost is under $100,000, or one-thousandth the cost of the state-of-the-art wafer fabrication plant that previously set the price of entry to the industry.

Rather than trying to keep out Japanese chips or raising their prices, American entrepreneurs should be combining foreign memories and other commodity devices with an ever rising tide of domestic designs.

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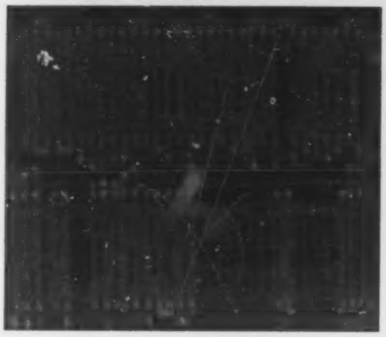

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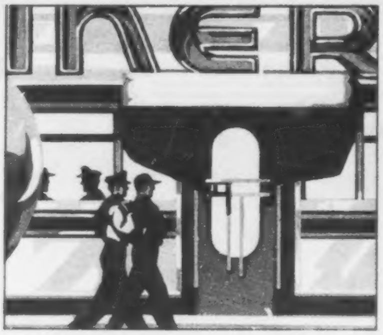

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Cover photograph by Jon Brenneis

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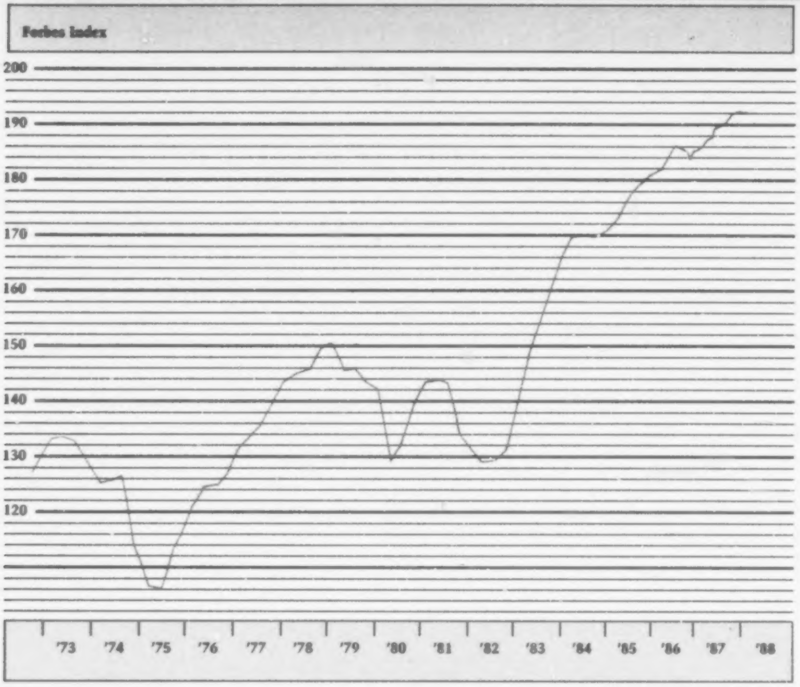
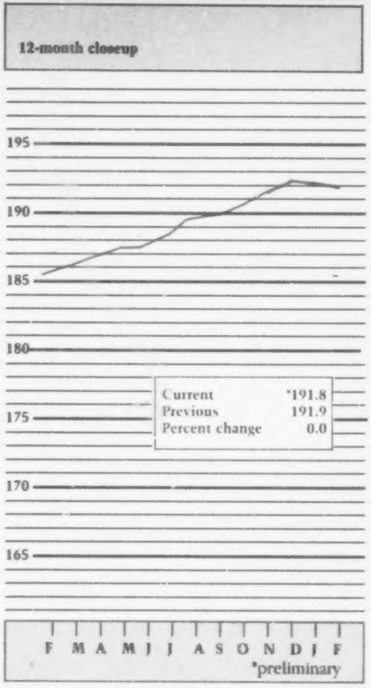
The Forbes Index





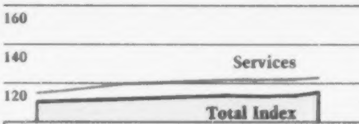
An unrefreshing pause. The Forbes Index dipped 0.1% in January, the first decline in a year. Nevertheless, the fundamentals continue to hold up well. Retail sales were up 0.6% in February, while the unemployment rate, stuck at 5.8% for two months, fell 0.1% point, to 5.7%, a record low for the Eighties. The January figure for consumer installment credit hit $617.5 billion, a new high. Revised figures show that manufacturer's new orders fell 1.5% in January.

The pessimism generated by October's stock market crash has abated for many, with the exception of those who work on Wall Street. While the economy, now in its sixth year of expansion, could hardly be called exciting, hard times do not appear to be just around the corner.

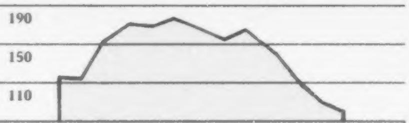
The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

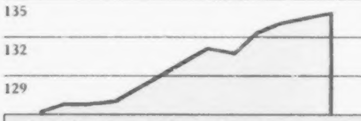
To measure these eight elements, Forbes monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



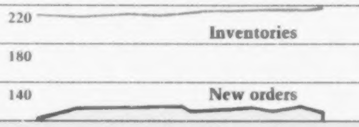
Consumer price indexes (1982-1984 average = 100) all urban consumers, unadjusted (Dept. of Labor)



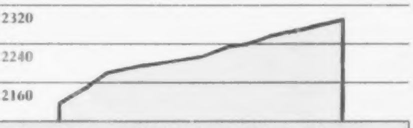
New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)



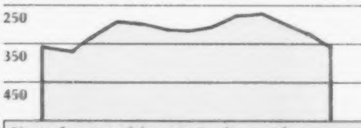
Industrial production index (1967 = 100) seasonally adjusted (Federal Reserve)



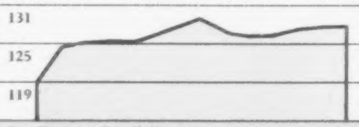
Manufacturers' new orders and inventories ($billions) seasonally (Dept. of Commerce)



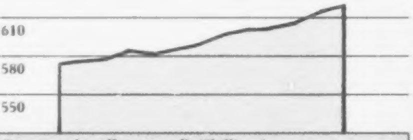
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)



Retail store sales ($billions) seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

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Sotheby's Art Market Trends

Index sectors	Feb 1988	One month ago	One year ago	Two years ago	Five years ago	One month % change	One year % change	Two year % change	Five years % change	Five years average annual % change
Old Master paintings	373	373	329	290	210	nil	+13.4	+28.6	+77.6	+12.2
19th-century European paintings	333	323	279	249	184	+3.1	+19.4	+33.7	+81.0	+12.6
Impressionist & Post-impressionist art	723	723	490	380	267	nil	+47.6	+90.3	+170.8	+22.0
Modern paintings (1900-1950)	757	757	512	364	245	nil	+47.9	+108.0	+209.0	+25.3
Contemporary art (1945 onward)	609	609	551	497	342	nil	+10.5	+22.5	+78.1	+12.2
American paintings (1800–pre-WWII)	871	871	698	667	450	nil	+24.8	+30.6	+93.6	+14.1
Continental ceramics	407	331	290	284	266	+23.0	+40.3	+43.3	+53.0	+ 8.9
Chinese ceramics	581	581	526	486	440	nil	+10.5	+19.5	+32.0	+ 5.7
English silver	388	381	343	314	209	+1.8	+13.1	+23.6	+85.6	+13.2
Continental silver	220	220	201	181	139	nil	+ 9.5	+21.5	+58.3	+ 9.6
American furniture	469	469	451	333	239	nil	+ 4.0	+40.8	+96.2	+14.4
French & Continental furniture	319	319	299	273	234	nil	+ 6.7	+16.8	+36.3	+ 6.4
English furniture	657	657	523	419	267	nil	+25.6	+56.8	+146.1	+19.7
Aggregate index*	517	514	409	344	256	+0.6	+26.4	+50.3	+102.0	+15.1

Basis: 1975 = 100 ($).

©Sotheby's 1988

*Contemporary art was added to the Art Index in September 1987. The aggregate index excludes this category prior to that date.

Sotheby's Art Market Trends reflect subjective analyses and opinions of Sotheby's art experts, based on auction sales and other information deemed relevant. Nothing in Sotheby's Art Market Trends is intended as investment advice or as a prediction or guarantee of future performance or otherwise.

Monthly highlights

The recent jewelry auction in St. Moritz attracted much interest; jewelry sales are considered a barometer of art market sentiment. The three-day event brought a total of $20 million, a record for a sale in this location. The star lot was the Ashoka diamond, a 41.37-carat D-flawless, oblong cushion-shaped stone. Made into a ring by jeweler Harry Winston, the diamond sold for $3.5 million. A 62-carat sapphire set an auction record for a colored stone, at $2.56 million.

Monaco was the other major European center of activity last month, and results there were inconsistent. Sales of Old Master and 19th-century European paintings, drawings, French furniture, works of art and modern illustrated books netted over $7.6 million. But only an average of 76% (by value) of the works were sold. By contrast, in Rome a $2.5 million sale of Continental furniture, works of art and paintings virtually doubled expectations, with over 90% sold.

Thirty-four paintings by Noel Coward, the songwriter and dramatist, in London realized over $1.3 million, compared with the high presale estimate of $900,000.

Sotheby's

A documentary signed and dated Vincennes tea bowl, 1749, sold by Sotheby's London for $35,000. Shown here approximately full size.

Index highlights

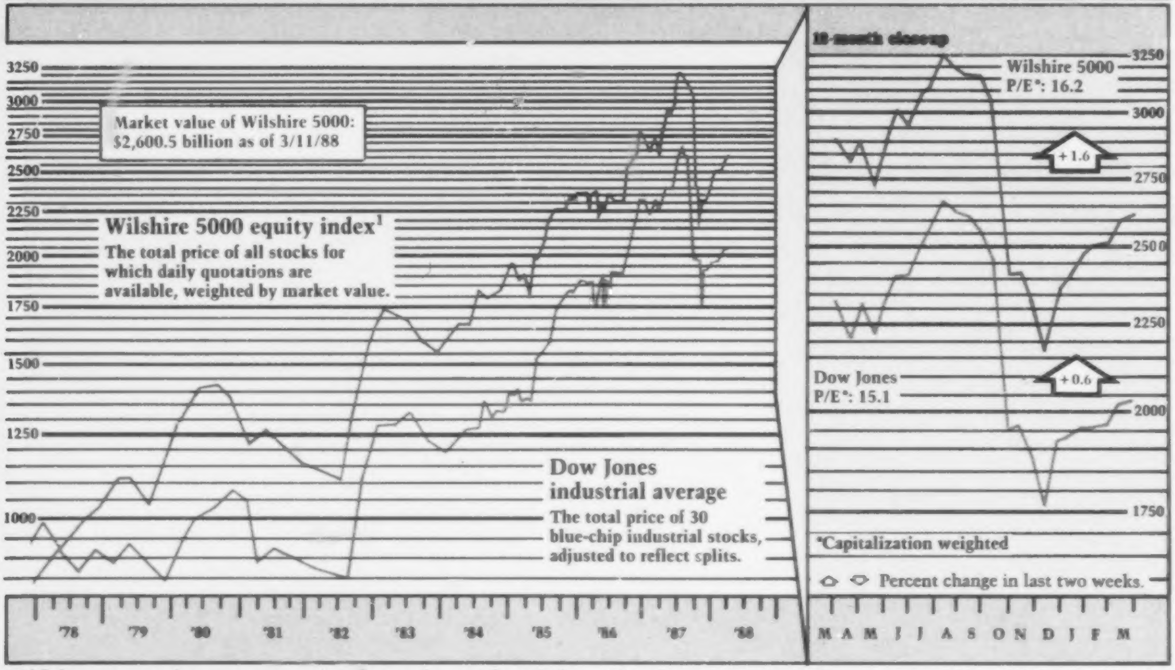
New York sales of 19th-century paintings saw collectors willing to pay high prices for high-quality works. Demand was healthy for Danish and Oriental works, while Japanese buyers competed strongly for Barbizon paintings and also for works by Turner. A notable feature was the sharp increase in interest for Spanish and Italian works, with German genre and landscape paintings also faring well.

In London, sales of English silver—a sector dominated by trade interest—continued to produce buoyant results. The star attractions were two George II ambassadorial wine coolers, made in 1727 as part of a service for the fourth Earl of Chesterfield. Among the most important English silver ever brought to auction, the coolers fetched over $831,000—well above the presale estimate of $540,000.

Continental ceramics in the latest sales in London were strong. Among the most interesting lots, a 1¾-inch Vincennes tea bowl, dated 1749 with a color reference code, realized $35,000, compared with an estimate of $27,000. The star lot, a mid-18th-century 76-piece Meissen part dinner and dessert service, fetched $97,400.

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Midsize companies are recovering from the crash. While the blue-chip Dow has received most of the attention since the October collapse, it is the middle-tier companies that have made the greatest gains. Bob Waid of Los Angeles-based Wilshire Associates reports that from the beginning of November to the end of February, firms with market capitalizations between $36 million and $700 million were up an average 20.4%, vs. 15.8% for stocks with larger capitalizations and 8.2% for smaller stocks. This bias away from larger companies held over the last four weeks as the Dow industrials gained only 2.6%, the NYSE 3.2%, the Amex 6.9% and the Nasdaq 6.3%. (For more on midsize companies, see p. 143.)

Meanwhile, corporate America continues to report strong quarterly earnings. Although the Wilshire index rose 1.6% in the last two weeks, the latest 12-month price-to-earnings multiple on the Wilshire fell 4.1%, to 16.2.

Closeup On the Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	3.6	1.0	2.6	3.2	6.9	6.3
in last 52 weeks	−10.0	1.0	−9.9	−9.6	−10.9	−13.1

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	4.2	10.7	12.3	2.0	10.5	4.5	2.0	11.3	10.8	4.6	5.8	12.9
in last 52 weeks	−5.6	12.3	14.1	2.8	−7.2	−9.4	−4.8	20.3	14.8	−0.4	−2.4	12.8

[1] Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2] Based on sales. [3] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

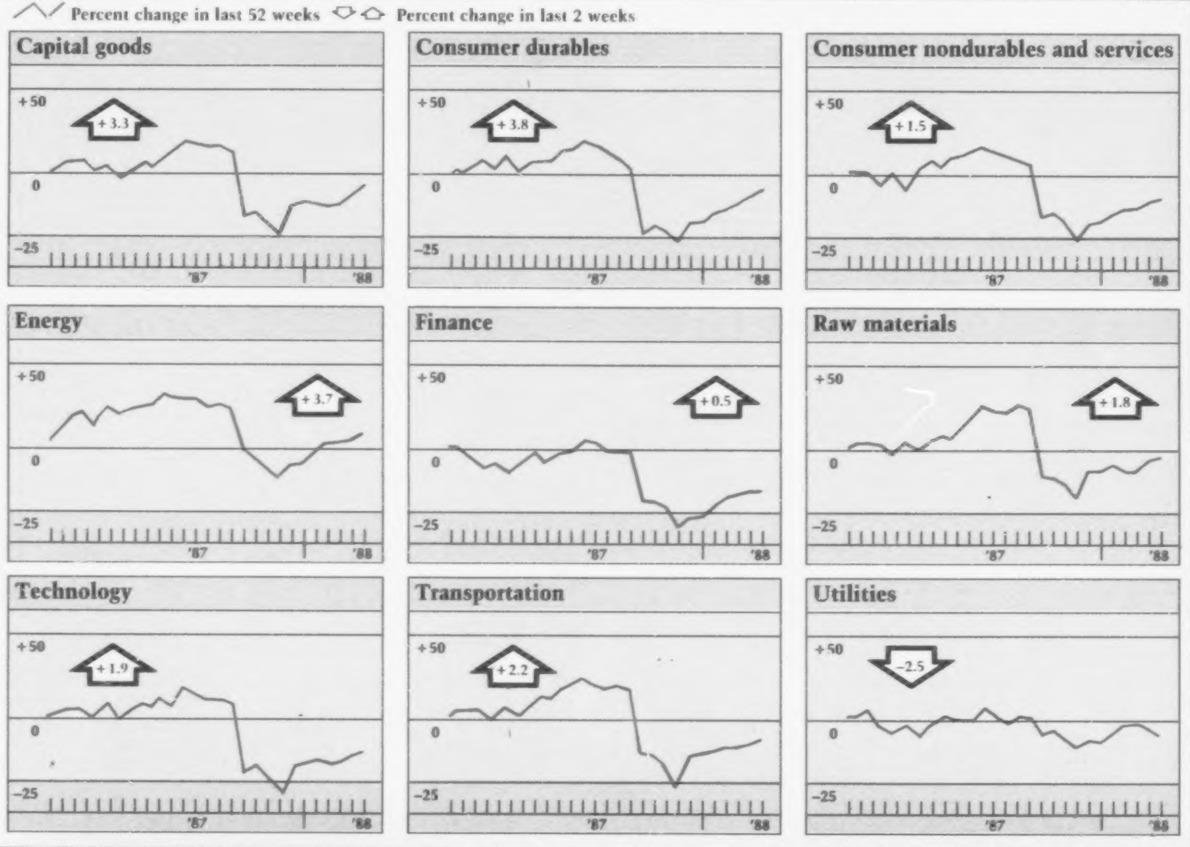
Note: All data for periods ending 3/11/88. Prepared by Wilshire Associates, Santa Monica, Calif.

Gay French

Where the Action Is

Foreign investors continue to capitalize on the increased value of their currencies against the dollar. One reason the consumer durables sector rose 3.8% over the past two weeks is the pending $1.85 billion offer for Firestone from Italy's Pirelli Group SpA. Among other foreign takeover attempts this year are Hoffmann-La Roche's play for Sterling Drug (which is going to be acquired by Eastman Kodak instead) and the Hachette SA play for educational publisher Grolier Inc.

Domestic buying pressure has been moderated by a slight runup in interest rates. Utilities, for example, fell 2.5% over the last two weeks. But most other sectors are doing well. Energy and capital goods were up 3.7% and 3.3%, respectively, over the past two weeks.



What the Analysts Think

Raw material and consumer durables companies enjoyed slight increases in average 1988 earnings estimates. The other seven sectors, especially finance and capital goods, saw declines. Over the last two weeks the earnings forecast for The Forbes Sales 500 fell slightly. This group is now selling at 10.9 times projected 1988 profits.

Forecasting the Forbes Sales 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.56	15.0
1988 estimates	3.53	10.9
1989 estimates	3.99	9.8

Rank based on change in estimate	Sector	Estimated 1988 EPS	Estimated 1988 P/E	% change in 1988 estimate in 2 weeks	% change in 1988 estimate in 4 weeks
1	Raw materials	$2.92	11.7	0.64%	1.40%
2	Consumer durables	3.83	13.4	0.20	0.61
3	Energy	2.96	13.3	–0.04	0.30
4	Transportation	2.47	12.3	–0.04	–1.39
5	Technology	2.83	11.9	–0.23	–0.50
6	Consumer nondurables	2.54	13.1	–0.26	–0.39
7	Utilities	3.04	9.6	–0.27	–0.36
8	Capital goods	2.53	14.9	–0.34	–0.09
9	Finance	3.55	7.7	–0.73	–1.72

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continually by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 3/11/88. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

Hungary and selling them back to the borrowers when they refinanced. He also actively traded telephone and utility bonds with buddies Salim Lewis of Bear, Stearns and Gustave Levy of Goldman, Sachs.

Dauphinot expects to get another crack at this kind of trading—provided the banks are willing to take the 38% to 96% writedowns necessary to unload their bad Latin American loans on the public. He sees value in some of the paper. "I think that Mexico is doing the right things," says Dauphinot. "They have done more than any other Latin American nation to handle inflation. They have been very constructive about investment from abroad. Mexico is also an interesting play on oil and gas over the next five years."

After World War II Kidder sent Dauphinot to Rio de Janeiro to drum up a South American capital market. Soon several Wall Streeters, including Gordon, Lewis and Levy, staked Dauphinot to $150,000 to form Deltec Panamerica SA.

Deltec did a brisk business as intermediary between Latin debtors and large U.S. and European banks. By the early 1970s Deltec was responsible for participating in and syndicating around $50 million a month in Latin and Eastern European loans. Sometimes by going door to door in wealthy South American neighborhoods, Deltec raised several hundred million dollars in equity capital for electric utilities, Brazil's largest department store, Kaiser Steel's Argentinean operations and an auto factory. Deltec also made good money buying up distressed, European-owned South American sugar and rail companies, restructuring operations, and reselling the firms to domestic investors.

After merging a Deltec subsidiary in 1969 with NYSE-listed IPL Inc., Dauphinot controlled a meat and banking empire with cattle ranches and slaughterhouses in North and South America and Australia, and investment branch offices that spanned the globe from Bogotá to Hong Kong. The idea was to sell the foreign cattle and real estate to local investors.

But Dauphinot didn't move fast enough. In 1970, as Deltec was about to close on the sale of its Argentinean meat-packing operations, a military junta confiscated the property as well as real estate, food processing, sugar producing and financial assets, $125 million worth all told. Deltec is still hoping for a restitution settlement.

The government's victims weren't only the foreign capitalists. Argentina's long history of economic chaos has turned its once rich and promising agricultural economy stagnant and crippled it with debt. The expropriation brought this home to Dauphinot, but not to the commercial banks that followed him into Latin America.

Not long after Deltec's Argentina troubles surfaced, so did a squeeze on its Latin lending. During the 1970s Deltec's own commercial bank clients invaded Latin America and no longer needed Deltec's intermediary services. "The spreads became much too thin, and the bankers were making huge long-term commitments," says Dauphinot.

By 1978 Deltec had completely pulled out of Latin lending and begun liquidating the public entity in order to refocus its business on merchant and investment banking. The closely held parent, Deltec Panamerica, invested some of its $28 million share of the liquidation proceeds in special situations, such as securities of bankrupt and troubled REITs.

Deltec's current strategy is to take sizable positions in small companies, not enough to have to pay a premium in a tender offer but "enough so that management will take you seriously," says Arthur Byrnes, Deltec's New York-based head of U.S. operations. Lately Deltec has been eyeing oil and gas companies, the bankruptcy bonds of LTV and Public Service Co. of New Hampshire, and savings and loans in the U.S. "We believe there are too many independent thrifts in the U.S.," says Byrnes. "There are tremendous economies of scale to be gained through mergers." One of its selections: Home Federal Savings & Loan of San Francisco, selling at 90% of book value and 4.6 times earnings. Deltec has 24% of Fort Collins, Colo.-based Home Federal S&L of the Rockies, which lost $645,000 in 1986 but earned $1.6 million last year after Deltec installed a new president. Deltec has since received two buyout offers for its stake.

This is global investing the way it should be practiced. You don't buy foreign stocks just because they were up a lot last year, and you don't overstay. Says Dauphinot, "If everyone else and his brother is investing where we are, we usually go into something else." ■

The Funds

Do high-yield muni funds outperform safer muni funds? Not with any consistency. You may be taking considerably more risk for only slightly better return.

High road or low road?

By Ruth Simon

LOOKING FOR A FUND with lots of tax-free income? You might be enticed by high-yield municipal bond funds, which invest in "junk" municipals—tax-exempt issues that are unrated or rated lower than BBB by Standard & Poor's or Baa by Moody's.

High risk, high reward, or so goes the thinking. The problem is that plenty of investors have jumped into these funds, which tout yields 50 to 100 basis points higher than those of general muni bond funds. There are now 26 high-yield muni funds, with $12.4 billion in assets, up from 11 funds in 1984. And with more funds chasing after a smaller supply of junk munis, says Smith Barney municipal bond analyst Barnet Sherman, "there simply is not enough good-quality, high-yield paper around."

The average high-yield muni fund delivered a total return of 0.7% over

the 12 months through January, according to Lipper Analytical Services, against 0.6% for general muni funds. This was in a period of rising interest rates—hence, falling bond prices—which hurt quality bonds more than junk. In short, it is not at all clear that the enhanced return adequately compensates for the enhanced credit risk.

But if you must buy high-yield munis, you're probably better off buying them through a fund than on your own. Telling the good deals from the rotten ones isn't easy. "It's essential to do your homework," says Peter Gordon, director of T. Rowe Price's municipal bond division. Gordon's staff of credit analysts conducts site visits before approving unrated issues, an effort beyond the reach of most investors.

Diversification is in order. "If you've got $2 billion in your portfolio and a $2 million issue defaults, it's the equivalent of a Mercedes going over a pebble," explains Smith Barney's Sherman.

High-yield funds also reduce risks by leavening their funds with higher-quality bonds. The IDS High Yield Tax-Exempt Fund, for example, has 93% of its assets in investment-grade paper; the more aggressive American Capital Tax-Exempt Trust High Yield Portfolio has just 35%.

Offsetting the higher credit risk is the somewhat lower interest rate risk. "When people want out, as in April 1987, the demand for junk is still so strong that prices only decline about half as much as for higher-quality bonds," says Michael Hardie, director of fixed-income investments for Colonial. Junk bonds' higher coupons also cushion somewhat the effect of upward spikes in rates. The lower interest-rate sensitivity cuts both ways, of course. When rates are falling and bond prices are rising—as they were in 1985 and 1986—a high-yield muni fund will underperform a general muni fund. But when bond prices fall, as they have over the past 12 months, the high-yield funds do slightly better.

Buying through a fund doesn't guarantee that you'll avoid the losers. Included in the $822 million Eaton Vance High Yield Municipal Trust are several bonds that financed an idea that, in hindsight, doesn't seem very bright: the combination hotel and home for the aged. The buildings are less than 50% occupied and the bonds worth 15 cents on the dollar. In the $348 million MFS Managed High Yield Municipal Bond Trust is a bond to finance an office building and hangars at a Colorado airport. Purchase price: $6.2 million. Value: $340,000.

Expect more of these problems. One reason: the flood of issues put out in 1985 and 1986 to beat changes in the tax law, which put the brakes on tax-exempt financing for private industry and apartment buildings. "Because of the rush to get paper out, a lot of marginal items got issued," notes Richard Lehmann, Bond Investors Association president, who expects defaults in 1988 and 1989 to exceed their 1987 highs. Some projects were never economical, Lehmann notes, and issuers are intentionally defaulting on others to escape high interest rates.

And with private-industry borrowers now mostly excluded from the tax-exempt market and interest rates well below their highs of the early Eighties, there's even less good-quality junk to go around—and more temptation to reach for higher yields. "All this junk money chasing fewer bonds meant the credit's generally declined," says Colonial's Hardie.

To judge a high-yield muni fund, first ignore yield, even though it's the whole selling point. Look at total return. Consider the American Capital Tax-Exempt Trust High Yield Portfolio, with a lush 8.5% yield. Investors actually lost 1.8% in the 12 months ending Jan. 31, as capital losses outweighed interest income.

Second, be wary of loads. Colonial charges a front-end load of up to 4.75%; Eaton Vance's fund has no front-end but charges a back-end load that starts at 6% the first year and declines by 1% per year thereafter.

Third, take a look at the fund's portfolio. Says Kurt Larson, IDS' vice president for tax-exempt mutual funds, "I'd be on the lookout for whether there are a lot of issues backed by a single-purpose building or corporation, where the revenue is just coming from one motel, nursing home or life care center." ■

Don't trust yields

These funds are the highest and lowest yielding in the Lipper high-yield category. But note the differences in their total returns.

Fund	12-month yield	Total return 1/31/87–1/31/88	Assets ($mil)
Franklin High Yield Tax-Free	9.1%	5.96%	$68.2
United Muni High Income	8.8	1.27	79.4
MFS Managed High Yield Muni*	8.6	1.86	348.4
Amer Cap Tax-Ex Tr High Yield	8.5	–1.84	154.4
MetLife State St High Inc Tax-Ex	7.4	–0.17	30.5
GIT Tax-Free Trust High Yield	7.3	0.95	39.0
Putnam Tax-Free High Yield	7.0	1.84	563.5
Fidelity High Yield Muni	7.0	–1.89	1,571.4
Lipper general muni bond fund average		0.57	

*Not open to new investors.

Source: Lipper Analytical Services

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THE TOP MARKET LETTERS ARE BULLISH

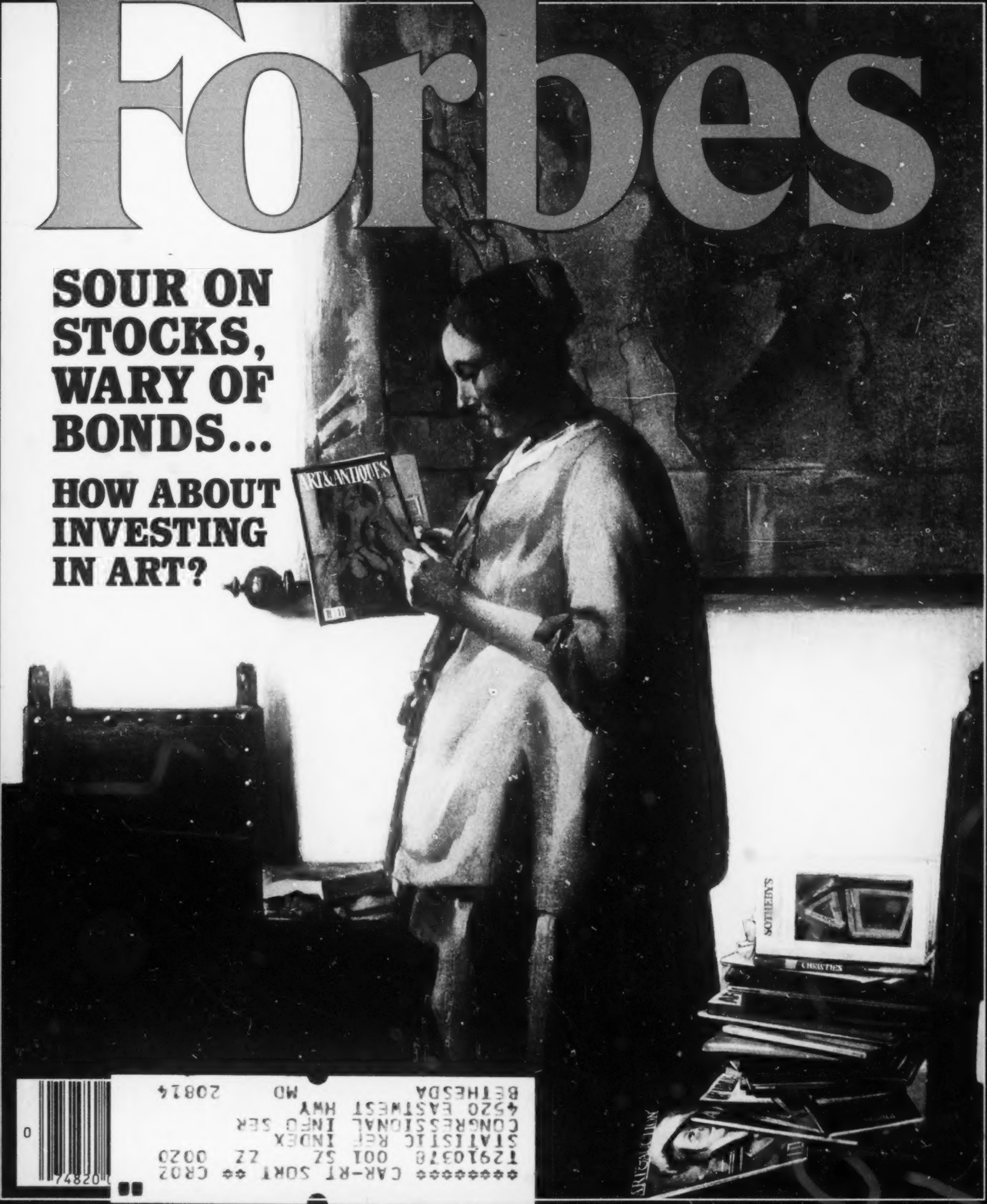
WILL CONGRESS HIKE THE GAS TAX?

WHAT'S AHEAD FOR CELLULAR TELEPHONES

APRIL 18, 1988

THREE DOLLARS SEVENTY-FIVE CENTS

Forbes



SOUR ON STOCKS, WARY OF BONDS... HOW ABOUT INVESTING IN ART?

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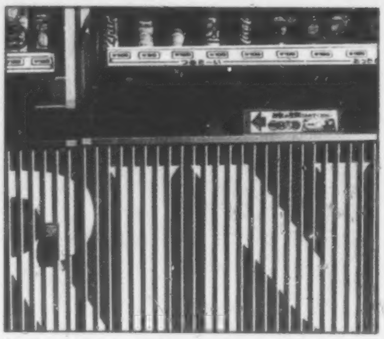
Forbes

Cover illustration by Mangal, after Vermeer's "Woman in Blue Reading a Letter," the Rijksmuseum, Amsterdam



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There's as much showmanship as technology in it, but the V-12 engine is coming back, in the $70,850 BMW, for instance.

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Rising to the top of one's profession calls for timing, experience and risk. Few combine these elements as well as junk bond fund entrepreneur Patricia Ostrander.

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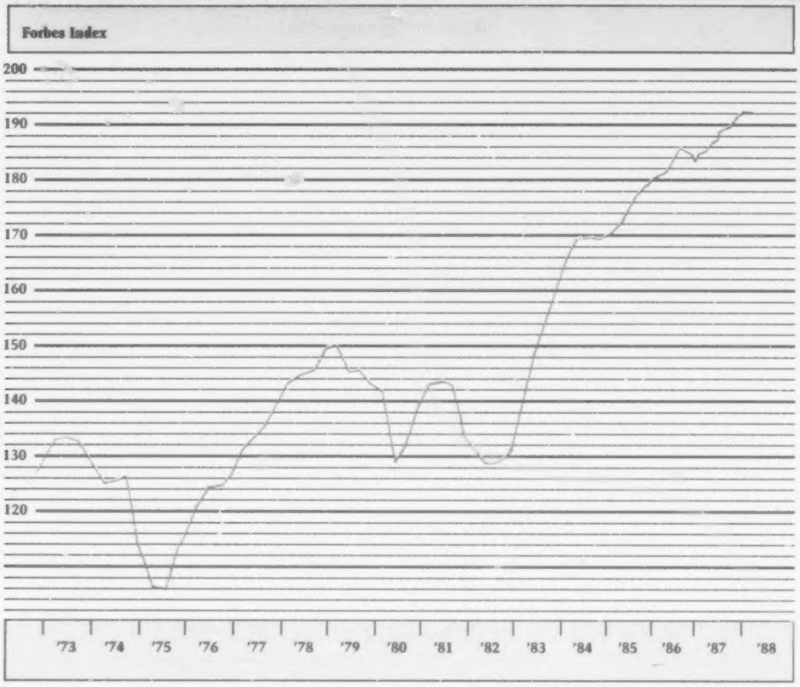
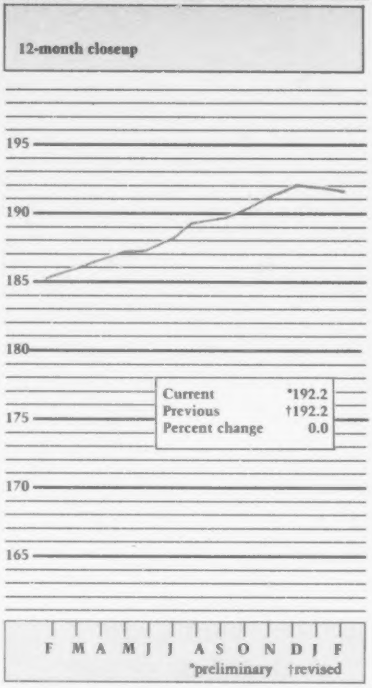
The Forbes Index





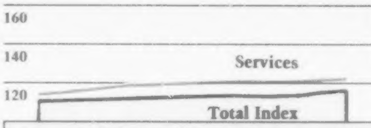
Going nowhere. Final results show the Forbes Index with less than a 0.1% gain in January. The preliminary February figure (manufacturers' new orders and inventory and consumer installment credit have not been reported yet) indicates a flat index even though several components posted gains.

The Consumer Price Index rose 0.3% in February before seasonal adjustment, the services component 0.4%. If Fed Chairman Greenspan keeps the money supply tight, inflation should stay low. New unemployment claims dropped a sharp 7% in February. This component has swung wildly in the last four periods, so the current trend is hard to determine. New housing starts were up 15.4%, while industrial production eked out a 0.1% gain.

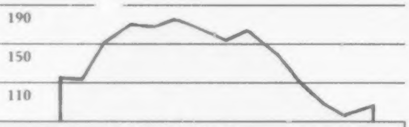
The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

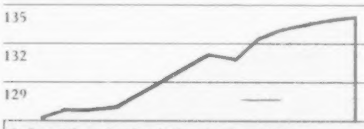
To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



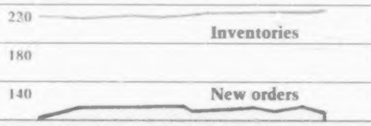
Consumer price indexes (1982-1984 average = 100) all urban consumers, unadjusted (Dept. of Labor)



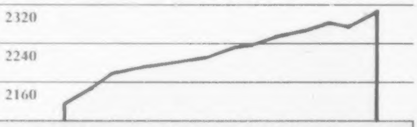
New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)



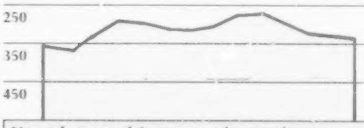
Industrial production index (1967 = 100)—seasonally adjusted (Federal Reserve)



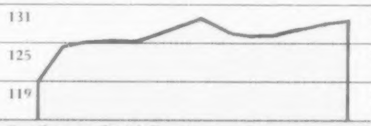
Manufacturers' new orders and inventories ($billions) seasonally (Dept. of Commerce)



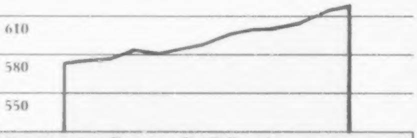
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)



Retail store sales ($billions) seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

Practically everyone agrees that the cellular telephone business will change the way we work and play. But it may be late for investors to get in on this good thing.

Great expectations

By Howard Rudnitsky

ANALYST Dennis Leibowitz, of Donaldson, Lufkin & Jenrette, is nobody's fool, and when he calls the cellular telephone franchise business "one of the very few [businesses] with open-ended growth potential," you can't dismiss his optimism out of hand.

Especially so when some smart people are putting big money into the business of making it possible for Americans to talk by telephone in their cars. Last month BellSouth Enterprises President William O. McCoy offered $710 million in BellSouth stock for Mobile Communications Corp. of America, a cellular telephone and paging company based in Jackson, Miss. Mobile has franchises owned in partnership with BellSouth in Los Angeles and Houston. The offering price, which excludes some of Mobile Communications' paging assets, works out to 7½ times revenues, 30 times this year's projected cash flow and 100 times earnings.

For another rich little deal, consider American Cellular Network. Comcast Corp., a tightfisted cable TV operator based in Philadelphia, is paying $230 million—or 10 times revenues and 20 times projected 1988 operating cash flow—for AmCell.

Impressive personal net worths are abuilding. Mobile Communications' founder John Palmer, 52, and his associates will walk away with $70 million in BellSouth stock (plus some radio-paging assets) on a minuscule investment in cellular made five years ago. AmCell founders Sidney Azeez and John Scarpa will realize about $55 million on the roughly $7 million they put into the company five years ago. In Seattle, McCaw Cellular's 39-year-old Craig McCaw has created a $1 billion fortune for his family and a second fortune for the Taylor and Jordan families, who control Boston's Affiliated Publications *(see box, p. 59)*. And there are more such tales.

So big are the numbers getting, it's only fair to ask: Has cellular gotten ahead of itself? Are prices reaching

Rob Nelson/Picture Group

William McCoy, BellSouth Enterprises president
Betting $710 million more on a cellular future.

Cellular plays

In each market, cellular telephone franchises have been awarded to the local telephone company and an independent. But the telephone companies have begun buying up independent franchises in other markets, which probably makes sense given their financial might and staying power in the face of a recession.

Company/major markets	Market value ($mil)	Shares outstanding[1] (mil)	Total net population[2] (mil)	Net population per share	Subscribers (000)	Long-term debt ($mil)	Cash flow[3] ($mil)	Price	
								recent	52-week high low
Telephone companies									
PacTel/CA, MI, GA	$12,423	432	28	0.07	155	5,321	2,657	28¾	33¾–22½
BellSouth/GA, FL, TX	18,769	481	27[4]	0.06	74	6,320	4,163	39	43½–29⅛
SWBell/IL, DC, TX	11,030	300	27	0.09	150	5,649	2,697	36¾	45½–28¼
Nynex/NY, MA, RI	13,458	204	22	0.11	75	6,076	3,307	66	78⅜–58
GTE/TX, CA, FL	12,456	330	21	0.06	66	9,587	3,556	37¾	44¾–29⅜
Ameritech/IL, MI, OH	12,515	139	20	0.14	90	4,389	2,981	90¼	99⅞–74
Bell Atl/PA, DC, MD	13,748	198	19	0.10	64	5,199	3,357	69⅜	79¾–60½
US West/AZ, CA, MN	10,093	190	14	0.07	50	4,949	2,647	53⅛	60¼–42½
Centel/NV, VA, NC	2,153	44	6	0.14	15	883	358	49½	50¼–32¾
Independents									
McCaw/FL, TX, CA[5]	2,494	112	47	0.42	132	1,038	–64	22¼	26 –11
Lin Broadcasting/NY, PA, TX	2,792	52	18	0.35	150	48	106	53⅜	57⅝–21½
Metro Mobile/CT, AZ	849	26	10	0.38	22	76	–9	32¾	33½–12¾
Cellular Comm/OH, TX	471	20	7	0.35	25	134	–3	23	23¾– 7
Mobile Comm Amer/TX, CA[6]	621	24	6	0.25	40	124	24[7]	26⅜	33½–12¾
Vanguard/PA, FL	210	10	5	0.50	9	30	–8	21	22 –20

[1] As of Dec. 31, 1987. [2] Population within franchise area. [3] For independents, cash flow is operating income plus depreciation and amortization. For telephone companies, cash flow is net income plus depreciation and amortization. [4] Includes 50-50 joint partnership with Mobile Communications. [5] 43% owned by Affiliate. [6] Acquisition by BellSouth pending. [7] Cellular losses are absorbed by BellSouth.

Sources: RCR Publications; company reports and Forbes estimates.

tulip bulb proportions?

There is no question that cellular is an important breakthrough in telecommunications. A local cellular franchisee divides an area into cells 5 miles to 10 miles in radius. The franchisee installs low-power transmitters and receivers in each cell; these in turn are connected by microwave transmitters or land lines to mobile switching stations. As a car leaves one cell, the switching station automatically transfers the call to the next cell, and so on. The switching station also connects the mobile telephone to the local, long distance and international telephone phone lines.

With today's newer portable phones, you can walk down Fifth Avenue in Manhattan while talking to your spouse in Boise, or your partner in Tokyo. Pretty soon the gear will be cheap enough that teenagers can take a phone with them on dates. No more, "Gee, Mom, I would've called but I didn't have a quarter." In the U.S. the car facsimile machine is just around the corner. So cellular communications is no gadgety gimmick: It is a service that fills a real need for a society on the go.

But in the real world of business, there's many a slip twixt cup and lip. With little in the way of earnings or cash flow, cellular franchises today sell on the basis of two expectations: (1) the number of potential customers in the area covered by their franchise, and (2) how much each of those customers is likely to spend. The first expectation is the population that lives in the cellular franchisee's area—the so-called pops figure. If a franchise area has a population of, say, 2 million, and a company owns 60% of the franchise (partners accounting for the rest), then the company would have 1.2 million pops.

What's a pop worth? BellSouth is paying some $80 to $85 a pop for Mobile Communications. McCaw, which about 18 months ago was paying only about $20 per pop for franchises, a few months ago paid $80 a pop for the Washington Post Co.'s Florida cellular business. McCaw itself is being valued in the stock market at $75 to $80 a pop.

These prices are assuming a great deal. They assume that a significant percentage of the pops will sign up for the services and that, once signed, they will use the expensive service on a big scale.

When the Federal Communications Commission started to divvy up the cellular industry in the early 1980s it awarded two franchises for each market, to make sure there was competition. The "wireline" franchise went to the local Bell operating company. The independent or "nonwireline" franchise was at first chosen by the FCC in some markets. Later markets were awarded by lottery.

Let's crunch a few numbers. What "per pop" amounts to is an assumption that a given independent company will have about half the cellular market, and the local phone company will have the other half. Let's say cellular's penetration will be 4% five years from now. Then the independent franchisee's penetration will likely be 2%.

Let's go on with the numbers. If the franchise covers 1 million pops and ultimately signs 2% of them, it will have 20,000 customers. Paying $80 a pop is the same as paying $4,000 today for tomorrow's projected customer. By contrast, cable TV systems can currently be purchased for around

$2,000 per existing subscriber.

Is $4,000 per potential subscriber too much? That depends on how much the subscriber, if he materializes, spends. Donaldson, Lufkin & Jenrette's Dennis Leibowitz, like most cellular analysts, believes cellular operators' gross margins will be around 50%. Five years from now, he projects, "the average cellular subscriber will generate $460 per year in cash flow, and be worth $6,000 each." Leibowitz goes on to predict that in 1993, "cellular could well achieve 5% penetration levels, which would translate into 9 million customers, or nine times 1987's 1 million cellular customers."

Optimists like Leibowitz argue that costs will drop and the convenience will rise, making cellular phone service more irresistible than it is today. New portable cellular phone models can be carried around in a briefcase or large pocketbook. Prices, typically $4,000 a year and a half ago, are expected to drop from today's $1,495 to below $500 in 1993. More automakers—especially the Japanese—will follow BMW's lead and make cellular phones standard equipment on top-of-the-line models.

Fredrick Moran is president of Greenwich, Conn. money manager Moran Asset Management. He has made a lot of money for his clients in American Cellular (he controlled 9%) and other cellular plays. Moran says: "With 5% penetration, cash flow per subscriber will be over $550 and each one will be worth $9,000."

Impressive numbers, but remember this: All this is simply playing with numbers. Nobody really knows what percentage of a given pop will sign up nor how much each will use the service. To create the cash flow of $450 to $550 per customer that the analysts predict would require that the average customer run up annual bills of $900 to $1,100. When added to the home phone bill, that's a lot of money for the average person.

In the real world, new customers are costly to attract. Last year McCaw Cellular, with franchises covering 47 million pops, spent $61 million on marketing, but added only 100,000 customers. That's a lot to pay per customer, any of whom can cancel at any moment. Indeed, the industry's "churn," as cancelations are known, sometimes reaches as high as 3% per month. Even at the more typical 1% per month cancelation rate, a cellular operator must add 12% more subscribers annually just to stay even.

In this growth industry, as in any growth industry in its early stages, things that can go wrong often do.

Older investors may remember that, beginning in the late 1960s, lots of smart folks thought cable TV would become a huge industry. Much capital was raised to buy franchises, string cable and sign up customers. True to expectations, cable today is indeed a big and profitable business. But a number of cable operators nearly went under in the 1973-74 recession. Investors who missed the first cable stock runup had a second chance to buy in cheap.

There's upside leverage in adding customers to a fixed-cost system. But leverage works both ways. The typical user now spends over $100 a month for the service. But as marginal customers are added, the average bill could drop. It could drop, too, in a recession. If usage dropped to $75 a month from $100, profit margins woud fall even faster because of the industry's relatively high fixed costs.

Cellular is growing so rapidly, and from such a small base, that extrapolations are hazardous. Up to now, cellular has been so expensive that it has attracted primarily business users not overly concerned about price. Price competition is mainly in the form of the basic charge. But the fact that price wars between the wireline and nonwireline franchisees have not yet broken out does not mean they won't break out. Cellular phone rates are not regulated by the FCC. Come a recession (and there will come a recession), cellular operators with sizable fixed costs to support could be in trouble. In such an environment, the deep-pocketed Bell operating company franchisees would seem the likely victors.

Considering all this, more than one old hand has considered the future, and decided to hedge it with a little cash. Well-managed Lin Broadcasting, which has $214 million in cash and very little debt, has 18 million pops in key markets like New York, Los Angeles, Philadelphia and Houston and wants more. But not at current prices.

Philip Gould/Matrix

John Palmer, Mobile Communications of America chairman

BellSouth's offer was too good to refuse.

Eastern money, western brass

Fifteen years ago McCaw Communications consisted of some radio station assets and a tiny cable TV operation. Today McCaw, of Kirkland, Wash., near Seattle, is the biggest cellular telephone company in the country. It has 127 franchises covering a total population of 47 million. It also has $1 billion in debt. Market capitalization: $2.5 billion.

The company is the product of Craig McCaw, now 39, who, after his father's death in 1969 was forced to run the business while still an undergraduate at Stanford. By 1981 McCaw needed money to expand in cable. Enter Boston's Affiliated Publications, publisher of the *Boston Globe* and controlled (51%) by Boston's Taylor and Jordan families. Bill Daniels, a leading cable broker, brought them together, and they entered into what turned out to be one of the decade's more bountiful partnerships.

Rich Frishman

McCaw Cellular's Craig McCaw
A bountiful partnership.

Starting with an initial $12 million from Affiliated (its total investment has come to $82 million) McCaw was able to expand rapidly. He borrowed liberally to buy cable systems just before their cash flows and prices rose.

By 1984, the new cellular telephone franchises were up for grabs. But that required McCaw's full-time attention and lots more money. In the spring of 1987 McCaw sold its cable TV business to Jack Kent Cooke for $755 million. McCaw received $165 million or so after taxes and debt repayments. Now Craig McCaw is betting the roll on cellular.

Affiliated's management swallowed hard but agreed to bet again on young McCaw. To raise more money to buy franchises McCaw established a public market for its shares. It sold a 13% stake to the public in a newly created company called McCaw Cellular Communications for $309 million ($21.75 a share) last August, and sold $600 million of debt. At year-end McCaw's net working capital was down to $387 million. Operating cash flow last year ran at minus $64 million. McCaw Cellular President Wayne Perry says losses will continue at least through 1988.

When will McCaw Cellular's cash flow turn positive? An Affiliated Publications executive suggests that it may happen in 18 months or so—if, he says, Craig McCaw doesn't make additional acquisitions.

McCaw is a master at negotiating for franchises but has yet to show that he can operate a huge system efficiently. Meanwhile, system construction and marketing costs continue to be onerous. To help ease the debt-service burden (around $10 million a month), McCaw and Affiliated recently agreed to put $165 million of cash and their profitable radio-paging business into the company in return for shares of McCaw Cellular stock.

Whatever lies ahead, the principals right now have few complaints. Craig McCaw holds voting control through a trust agreement with his family and Affiliated. After pending transactions are consummated, the McCaw family will own some 64 million shares with a market value (at current prices) of $1.4 billion. Affiliated Publications owns 61 million shares worth $1.3 billion—more than the mature *Boston Globe*. That's not a bad return on $82 million.—**H.R.**

Lin offered to buy American Cellular, but wouldn't go near Comcast's successful $230 million offer.

Within the last year or so, the Washington Post Co. has sold all its cellular operations. The Post sold its Florida cellular business to McCaw Cellular in January for $240 million, almost twice its cost. Shrewd media entrepreneur John Kluge sold his Metromedia cellular and paging holdings late last summer to Southwestern Bell for $1.35 billion.

Are these smart folks saying cellular is about to collapse? Not necessarily. They're simply saying that current prices are high, and that there are other, more profitable things to do with their money.

Okay. You understand the risks. You appreciate that some knowledgeable players have already left the table. You still think cellular is the wave of the future, and you want a piece of the action.

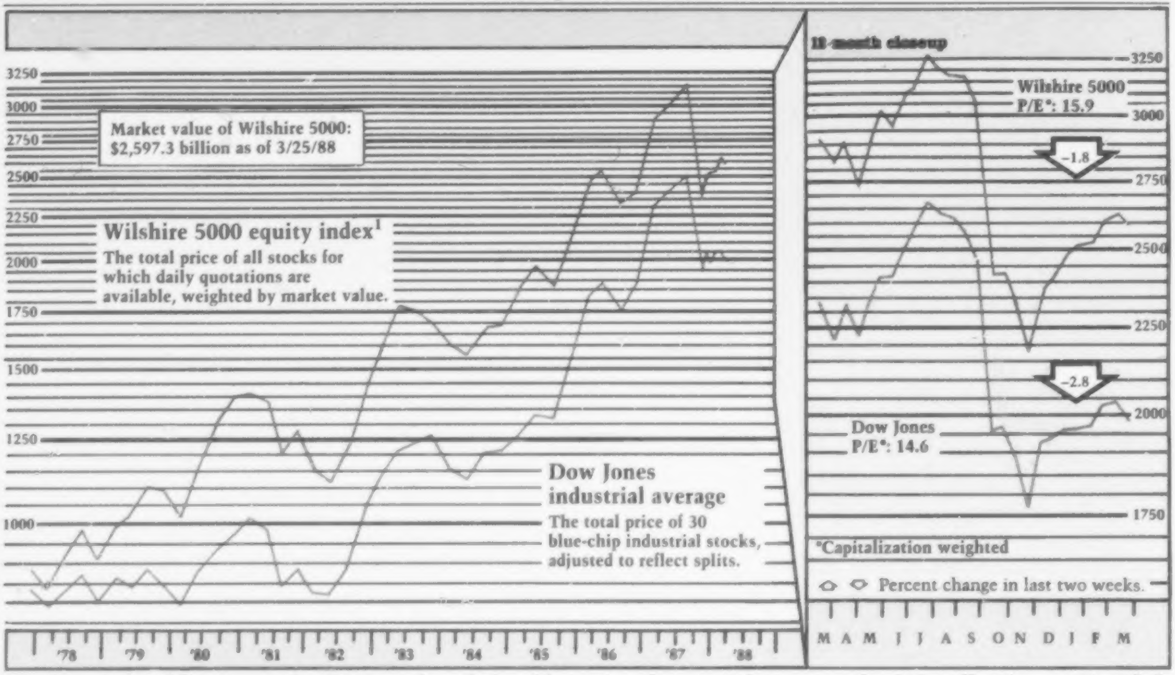
Unfortunately, only a few publicly traded independent cellular companies remain *(see table, p. 57)*. Their market prices already reflect most of the good things—and few of the bad things—that could befall the industry.

As Wall Street will, Drexel Burnham and Merrill Lynch moved to fill demand last month when they brought a small startup company, Vanguard Cellular System, public. Operating mainly what it calls a "Pennsylvania supersystem," Vanguard has a market value of $210 million, or 4 times its current equity. The stock is a rank speculation at these prices but sold well because the demand for such stocks currently exceeds the supply. But this situation is unlikely to continue. Some telephone operating companies can be expected to spin off part of their cellular operations, in order to take advantage of today's high cellular stock prices. Contel and USWest, in particular, may well go this route.

Cellular probably will be a big business in the years ahead. But it will not travel from here to there along an ascending straight line. Better safe than sorry. ■

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



The Dow's brief fling over the 2000 mark ended as blue chips and primary stocks suffered losses. But secondary issues finished the four-week stretch with impressive gains, even though the overall market fell sharply in the final two trading days. The yardsticks below indicate that investors shied away from large companies in favor of more speculative investments. In the last four weeks shares of companies with market capitalization of over $1 billion rose only 0.1%, while the stocks of small firms (market capitalization under $17 million) rose 9%. While high-growth issues increased 7.4%, low-growth stocks rose only 2.2%. And stocks priced under 4 appreciated 9.8%, while shares priced over 40 were up only 1.9%.

At the final bell the Dow was off 2.2% and the NYSE, 0.8% for the four-week period. In sharp contrast, Amex shares were up 3.6% and Nasdaq stocks, 2.5%. Large-cap stocks dragged down the overall market, as the Wilshire index fell 0.3%.

Closeup On the Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	−0.3	−1.7	−2.2	−0.8	3.6	2.5
in last 52 weeks	−13.2	−13.4	−15.3	−12.9	−12.9	−14.7

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	0.1	9.0	9.1	2.1	6.1	3.0	0.7	7.8	7.4	2.2	1.9	9.8
in last 52 weeks	−8.2	11.3	11.3	1.4	−8.8	−9.4	−6.4	16.2	12.4	−2.1	−4.8	11.8

[1] Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2] Based on sales. [3] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

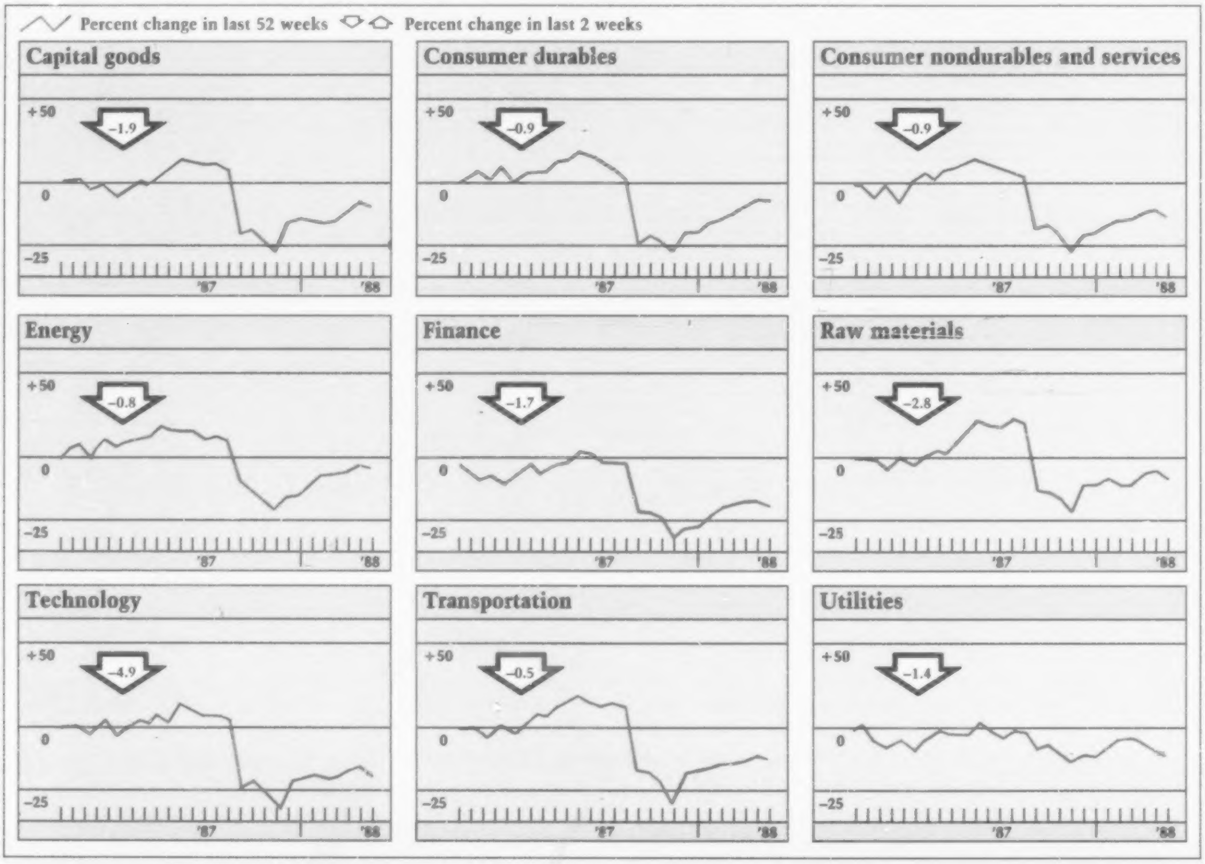
Note: All data for periods ending 3/25/88. Prepared by Wilshire Associates, Santa Monica, Calif.

Gar French

Where the Action Is

Reverse technology. The sharpest losses of the last two weeks were suffered by the technology group, which fell 4.9%. Lotus Development, which announced a delay in a new release of its flagship software product, 1-2-3, fell almost 22%. While Varian Associates, Tandem Computers, Digital Equipment and Computer Associates International also posted double-digit declines, Grumman bucked the trend and rose 17% on takeover speculation.

Raw materials and capital goods also dropped more than the overall market, while transportation stocks showed the smallest decline, a loss of 0.5%. Texas Air shot up almost 18%, as several major carriers raised their airfares.



What the Analysts Think

Analysts are nervous about 1989. The Forbes Sales 500 are priced at 10.6 times estimated earnings for fiscal 1988 and 9.6 times 1989 estimates. Put another way, analysts expect about a 10% earnings increase from the current fiscal year (1988) to the next. One year ago they were predicting an 18% to 20% jump in next fiscal year profits.

Forecasting the Forbes Sales 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.56	14.7
1988 estimates	3.52	10.6
1989 estimates	3.94	9.6

Rank based on change in estimate	Sector	Estimated 1988 EPS	Estimated 1988 P/E	% change in 1988 estimate in 2 weeks	% change in 1988 estimate in 4 weeks
1	Raw materials	$2.92	11.3	0.94%	1.58%
2	Consumer durables	3.88	13.3	0.83	1.01
3	Capital goods	2.51	14.7	0.15	−0.18
4	Consumer nondurables	2.55	12.9	0.09	−0.17
5	Technology	2.82	11.4	−0.09	−0.32
6	Energy	2.95	13.1	−0.33	−0.37
7	Transportation	2.44	12.3	−0.54	−0.58
8	Utilities	2.44	9.5	−0.54	−0.81
9	Finance	3.47	7.6	−1.09	−1.82

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continually by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 3/25/88. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

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THE FORBES 500s ANNUAL DIRECTORY

SPECIAL ISSUE 1988

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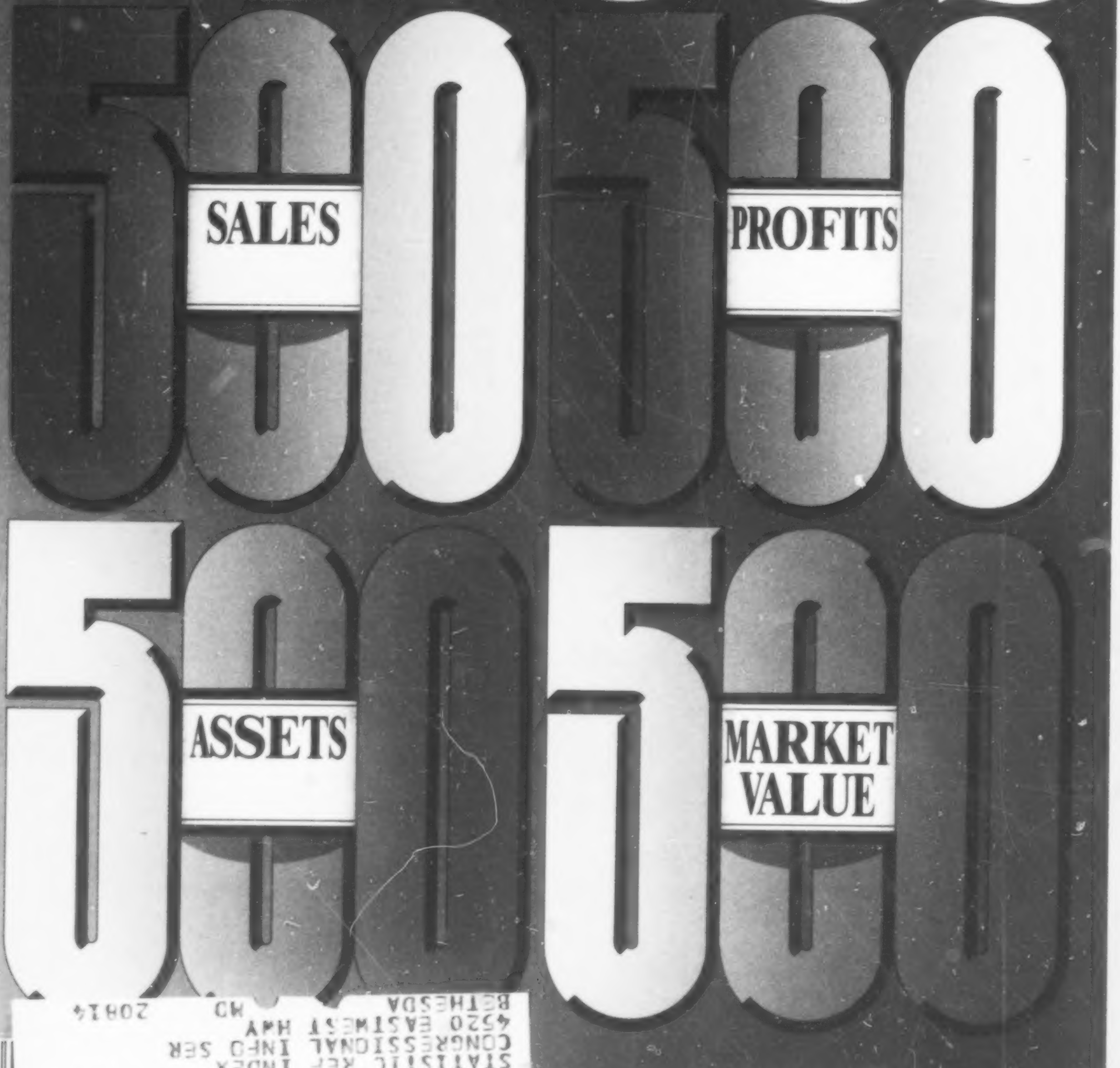
SALES
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ASSETS
MARKET VALUE

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Manufacturers Hanover isn't the only giant bank that has stretched its capital thin. Today many regional banks are better positioned to raise capital and to grow than many of their money center rivals.

How the mighty have slipped

By Ben Weberman

WHAT'S A money center bank? It used to mean a big bank in New York, Chicago, Los Angeles or San Francisco. To these, folks from the boondocks supposedly went when they needed really big money. They were the prestige banks. Everything else was kind of provincial.

Well, the money center banks had the capital, and that's why they were at the center of things. But things have changed. If you define capital as the market value of outstanding common stock, a good number of regional banks are today better capitalized than some of the money center behemoths. PNC Financial in Pittsburgh, for example, by this measure is now larger than BankAmerica and Manufacturers Hanover combined. Fleet/Norstar in Providence, R.I., is better capitalized than Chase Manhattan.

Nouveaux riches

Eight of the 15 biggest banks in market value aren't based in traditional money centers. The 15 are here followed by three former heavyweights for comparison, shown at the bottom out of order: Chemical New York, for example, would be 33rd.

Bank	—Market value— 3/28/88 ($mil)	12/31/80 ($mil)	—Assets— 12/31/87 ($bil)	12/31/80 ($bil)	—Price— 12/31/87	12/31/80[1]
Citicorp	$6,087	$2,970	$203.6	$114.9	18⅝	12⅛
JP Morgan	6,012	1,990	75.4	51.9	36¼	12⅞
PNC Financial	3,257	276	36.5	6.0	37¾	11⅛
Security Pacific	3,063	952	72.8	27.8	25⅜	14⅜
SunTrust	2,802	167	27.2	3.3	18¼	7⅝
Wells Fargo	2,684	692	44.2	23.6	43	14¼
Banc One	2,610	222	18.7	2.8	21⅞	7¼
Bankers Trust	2,453	758	56.5	34.2	31¾	15½
Fleet/Norstar	2,291	120	24.5	3.5	22¾	5½
First Union	2,167	121	27.6	3.3	19½	5¾
Chase Manhattan	2,079	1,553	99.1	76.2	22⅛	24⅛
First Interstate Bancorp	2,030	1,350	50.9	32.1	39¼	36
Sovran Financial	2,004	95	21.2	2.7	33¾	7⅞
First Wachovia	1,999	250	19.3	5.7	33½	9⅛
Barnett Banks	1,907	251	23.5	4.4	28⅜	9½
BankAmerica	1,718	4,450	92.8	111.6	6⅞	30¼
Manufacturers Hanover	1,239	1,090	73.3	55.5	21½	32¾
Chemical New York	1,228	638	78.2	41.0	21⅜	19

Note: Valuation date is Mar. 28; Market Value 500 tables on page 170 use Dec. 31 numbers.
[1] Adjusted for splits and dividends.

Sources: Smith Barney; Keefe Bruyette & Woods.

Are you ready for Pittsburgh and Providence as money centers?

The regulators count book value, not market value, in figuring capital. But market value matters when it comes to raising fresh capital and making acquisitions. It's clearly cheaper to raise new equity capital if you can sell your stock at 175% of book value than if you have to take 75%. In this sense, then, the traditional money center banks are being decapitalized.

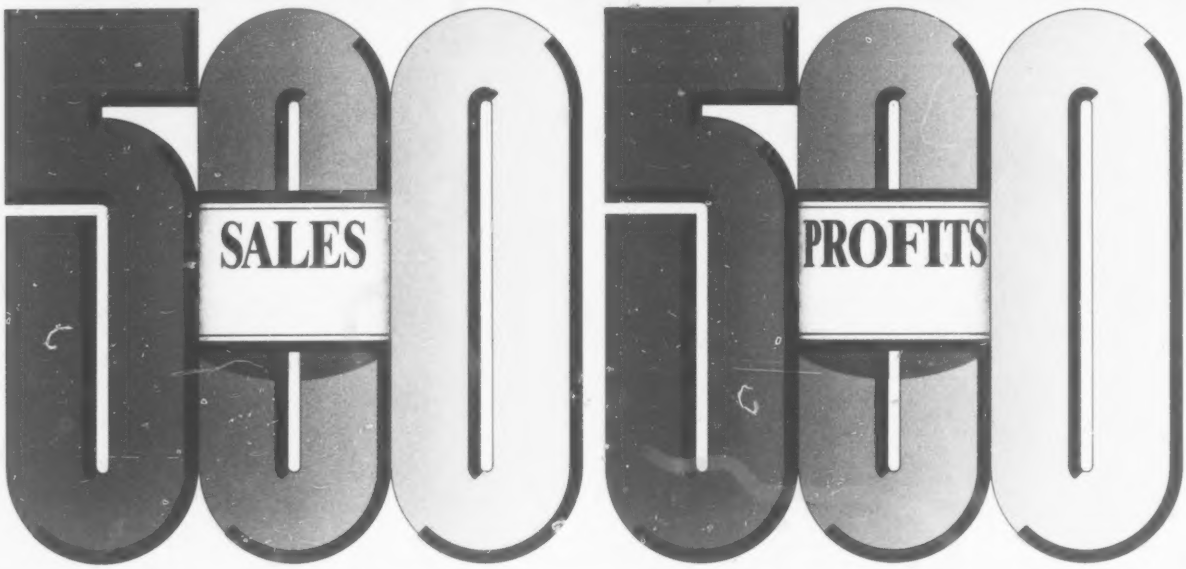
In the list of the most powerful banks, as measured by market capitalization, the old giants aren't all overthrown: J.P. Morgan and Citicorp still lead the list. But consider that PNC, 32nd in market capital six years ago, is now 3rd. Chase, 4th largest in 1981, is now 11th. BankAmerica, Chemical and Manufacturers Hanover don't even make the list of the top 15 in market capitalization.

The implications go well beyond Wall Street. It is quite possible that the giants of tomorrow's banking will be more widely spread across the nation. Besides some of the stronger regionals, several specialized money center banks, such as Security Pacific, less burdened by bad loans, are in a good position to grow.

While the elite regionals are expanding in assets, profits, low-cost liabilities and profitable loans, a good number of the old money center banks will be busy nursing their wounds from Latin America, auctioning off subsidiaries, tapping the markets for cash by securitizing and selling loans and other assets, and generally searching for ways to shrink gracefully.

And, of course, when interstate banking finally comes, it will be the banks with strong stocks that will be in the best position to make acquisitions. Fleet is trading at 180% of book, to Citicorp's 83%.

The select regionals can use their high market valuations to invest in new activities, draw in low-cost deposits and raise new capital on relatively favorable terms. They will have the resources to expand in municipal finance, corporate debt and equity distribution, mutual fund management and stock trading. Many of the old giants—certainly Citicorp—will remain aggressive players. But the playing field is a lot more level than it was a decade ago. ■



THE ECONOMIC EXPANSION, now in its sixth year, rolls onward. The combined profit for the 500 most profitable publicly traded companies climbed 10.6% last year. Sales of the Forbes Sales 500 were up 7.4%, to $2.8 trillion.

Big companies, however, aren't putting more people to work. Since it touched bottom in 1982, the economy has added almost 15 million jobs. Over that same six-year period the 796 companies that qualify for one or more of our four lists have been cutting back *(see table, opposite page)*. As the behemoths of capitalism battle cheaper foreign labor and become more capital intensive, they shrink their payrolls.

Where, then, are the jobs coming from? From much smaller firms, many that you may never see on the Forbes 500s. Standard Rewashed Wipers Co., founded in Chicago in 1917, hasn't made it into the big time yet. After years of striving it recently sold off its industrial rag washing department and decided to focus mainly on disposable rags under a new name, the Standard Cos. President George Bonomo has grand ambitions. "We are growing dramatically," he boasts. But with the company's sales at $7 million, he still has a long way to go to make it onto the Sales 500 (minimum this year, $1.35 billion).

Yet some of these little firms are destined for greatness. Among the companies in this year's directory are several that have graduated from the Forbes 200 Best Small Companies survey: Computer Associates International (software), Pall Corp. (filters), Safety-Kleen (industrial solvent cleaning services), Service Corp. International (undertaking) and Sigma-Aldrich (lab chemicals).

But most of the economy's success stories must go unchronicled in directories like this one. Dun & Bradstreet tracks more than 9 million firms, and even those account for something less than 100% of private U.S. employment. Economic growth, in short, is only partly a story of top-500 companies. It's even more the story of small companies trying to become top-500 companies. It's their drive, their striving, that gives American capitalism its extraordinary dynamics.

500 ASSETS

500 MARKET VALUE

Where to find the lists

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The grand totals

Employment at the 796 companies in this directory is on a gradual downward slope, but other trends are upward. Last year's dip in market value reflects the crash, share repurchases and cash mergers.

Category	1987 Total	Change from 1986	5-year growth rate
Sales 500	$2.8 trillion	+7.4%	+2.7%
Profits 500	156 billion	+10.6	+5.2
Assets 500	6.01 trillion	+6.4	+9.7
Market Value 500	1.79 trillion	−0.6	+11.2
Total employment of 500s companies	20.5 million	−0.9	−1.3

The Forbes Sales 500

In 1987 sales of America's biggest corporations rose a healthy $190 billion, to $2.8 trillion. The 500th company sold $1.35 billion.

Rank 1987	Rank 1986	Company	Sales ($mil	Change over 1986 %
1	1	**General Motors**	101,78	–1.0
2	2	**Exxon**	76,416	9.3
3	3	**Ford Motor**	73,145	14.2
4	4	**IBM**	54,217	5.8
5	5	**Mobil**	51,223	14.2

LAST YEAR was a good one for big business. The combined revenue of the Forbes Sales 500 increased 7.4%, to $2.8 trillion. The revenue gains were spread throughout the top 500 companies. The smallest company to make the list this year, Wilson Foods, had sales of $1.35 billion, versus $1.26 billion for last year's 500th firm. That's a 7% increase, in line with the average for the entire group.

Although some ranks have changed, the same 15 corporations lead the Sales 500. With 1987 sales of $101.8 billion, down 1% from 1986, General Motors remains in first place, although third-place Ford once again earned more *(see p. 144)*. Higher petroleum prices helped oil companies among the top 15—Exxon, Texaco, Mobil and Chevron bounced back from a 1986 sales decline.

Valhi, the Dallas-based conglomerate, shows the sharpest increase in sales, a gain of 185.3%, to $1.38 billion. But this growth came largely from mergers. Valhi was formed in March 1987 by investor Harold Simmons from LLC, which included a struggling chain of Arby's restaurants and Simmons' closely held Amalgamated Sugar. As of last September Valhi's results also included its 51% holdings in NL Industries.

The acquisition of Eastern Air Lines helped Texas Air post a 92.3% gain in revenues. A 43.3% sales gain at competitor NWA was aided by its 1986 acquisition of Republic Airlines.

Revenues were off 47.8% at GenCorp. After selling its New York TV station, General Tire and its bottling operations, it is now focusing on aerospace. CBS, which sold its magazine unit, shows a 40.6% decline in sales.

Gone from the Sales 500 this year are Sterling Drug, acquired by Eastman Kodak, and Golden West Financial, which saw its sales decline by 6.3%. Sneaker maker Reebok, with sales up 51.1%, joins the top 500 for the first time, as does Fleet/Norstar, the combination of Norstar Bancorp and Fleet Financial Group.

Winners

The leaders in sales growth

Rank 1987	Rank 1986	Company	Sales ($mil)	Change over 1986 %
487	■	**Valhi**	1,383	185.3
224	488	**AMAX**	3,383	158.8
481	■	**Tele-Communications**	1,416	127.5
462	■	**Masco Industries**	1,470	106.4
394	■	**Maxicare Health**	1,839	101.1

■ Not on 500 list in 1986.

Losers

The laggards in sales growth

Rank 1987	Rank 1986	Company	Sales ($mil)	Change over 1986 %
437	240	**GenCorp**	1,619	–47.8
275	148	**CBS**	2,762	–40.6
478	299	**Penn Central**	1,421	–40.5
446	310	**Panhandle Eastern**	1,563	–30.5
215	144	**Wickes Cos**	3,477	–27.1

Rank 1987	Rank 1986	Company	Sales ($mil)	Change over 1986 %
6	6	Sears, Roebuck	48,440	9.4
7	7	General Electric	39,315	11.7
8	9	Texaco	34,372	8.7
9	8	American Tel & Tel	33,598	–1.4
10	10	El du Pont	30,224	12.3
11	13	Citicorp	27,519	17.1
12	14	Chrysler	26,277	16.3
13	11	Chevron	26,015	6.8
14	12	K mart	25,864	8.6
15	15	Philip Morris Cos	22,279	7.7
16	16	Aetna Life & Cas	22,114	8.0
17	17	Amoco	20,174	10.4
18	20	ITT	19,525	15.2
19	22	Procter & Gamble	17,892	7.9
20	21	American Express	17,768	5.7
21	18	Kroger	17,660	3.1
22	24	Travelers	17,459	8.8
23	26	United Technologies	17,170	9.6
24	27	Occidental Petroleum	17,096	11.4
25	19	Cigna	16,909	–0.9
26	31	Atlantic Richfield	16,282	12.4
27	38	Wal-Mart Stores	16,065	33.6
28	25	RJR Nabisco	15,766	–1.3
29	28	GTE	15,421	2.0
30	23	Boeing	15,355	–6.0
31	29	JC Penney	15,332	4.0
32	34	Xerox	15,125	17.1
33	30	Tenneco	14,790	1.8
34	32	American Stores	14,272	1.8
35	33	USX	13,898	–0.7
36	43	Dow Chemical	13,377	20.4
37	40	Eastman Kodak	13,305	15.2
38	35	McDonnell Douglas	13,146	3.8
39	41	BellSouth	12,269	7.2
40	42	Nynex	12,084	6.5
41	36	Rockwell Intl	11,936	–3.7
42	55	PepsiCo	11,485	23.6
43	48	Lockheed	11,321	10.2
44	62	American Intl Group	11,278	27.1
45	46	Federated Dept Stores	11,118	5.8
46	39	Allied-Signal	11,116	–5.8
47	52	Chase Manhattan	10,745	13.6
48	50	Phillips Petroleum	10,721	9.6
49	44	Westinghouse	10,679	–0.5
50	56	Dayton Hudson	10,677	15.3
51	51	Merrill Lynch	10,659	12.5
52	68	Digital Equipment	10,391	23.5
53	47	May Dept Stores	10,314	–0.6
54	49	Bell Atlantic	10,298	3.8
55	45	Fedl Natl Mortgage	10,079	–4.4
56	59	Goodyear	9,905	8.8
57	64	Kraft	9,876	13.0
58	37	BankAmerica	9,753	–19.2
59	81	Unisys	9,713	30.7
60	69	Sara Lee	9,671	16.0
61	54	Ameritech	9,536	1.9
62	74	Great A&P Tea	9,532	21.7
63	66	Minn Mining & Mfg	9,429	9.6
64	63	Super Valu Stores	9,406	7.3
65	61	General Dynamics	9,344	5.1
66	101	ConAgra	9,272	45.9
67	60	Pacific Telesis	9,131	1.7
68	71	Loews	8,957	8.5
69	86	Weyerhaeuser	8,824	22.0
70	67	Winn-Dixie Stores	8,824	2.8
71	53	Sun Company	8,691	–7.3
72	78	Fleming Cos	8,608	12.5
73	87	Georgia-Pacific	8,603	19.1
74	85	Hewlett-Packard	8,542	17.9
75	158	Texas Air	8,475	92.3
76	80	Unocal	8,446	12.9
77	70	US West	8,445	1.6
78	58	Allegis	8,293	–9.8
79	77	Anheuser-Busch Cos	8,258	7.6
80	82	Caterpillar	8,180	11.7
81	102	CSX	8,043	26.8
82	88	Johnson & Johnson	8,012	14.4
83	73	Southwestern Bell	8,003	1.3
84	147	Alcoa	7,767	20.8
85	120	International Paper	7,763	41.1
86	76	Mfrs Hanover	7,757	–0.5
87	83	Raytheon	7,659	4.8
88	65	Coca-Cola	7,658	–11.7
89	91	Monsanto	7,639	11.0
90	111	Security Pacific	7,618	27.5
91	84	LTV	7,582	4.3
92	96	Coastal Corp	7,429	11.4
93	98	Ashland Oil	7,308	12.2
94	89	Textron	7,248	4.3
95	108	AMR	7,198	19.6
96	75	Pacific G&E	7,186	–8.1
97	106	Transamerica	7,175	18.1
98	105	American General	7,157	16.2
99	99	FW Woolworth	7,134	9.7
100	95	McKesson	7,112	6.6
101	92	Southern Company	7,010	2.4
102	110	Lincoln National	6,960	16.0
103	100	Lucky Stores	6,925	7.5
104	103	Union Carbide	6,914	9.0
105	94	JP Morgan	6,834	2.4
106	107	TRW	6,821	13.0
107	112	Motorola	6,707	13.9
108	125	Honeywell	6,679	24.2
109	121	Chemical New York	6,628	20.8
110	90	Burlington Northern	6,621	–4.6
111	129	Marriott	6,522	23.8
112	134	Borden	6,514	30.2
113	153	Delta Air Lines	6,351	40.6
114	133	Emerson Electric	6,318	22.5
115	118	Baxter Travenol	6,223	12.3
116	113	Pillsbury	6,198	8.5
117	126	Zayre	6,186	15.6
118	117	Archer-Daniels	6,181	11.2
119	116	Northrop	6,053	7.9
120	104	American Brands	6,029	–3.1
121	93	Salomon	6,003	–11.6
122	97	Union Pacific	5,943	–9.6
123	130	Melville	5,930	12.7
124	79	Enron	5,916	–22.1
125	114	Ralston Purina	5,913	3.8
126	124	Albertson's	5,869	9.1
127	109	Continental Corp	5,801	–3.4
128	139	Bankers Trust NY	5,693	15.6
129	122	Commonwealth Ed	5,674	3.6
130	135	Colgate-Palmolive	5,647	13.3
131	140	NCR	5,641	15.5
132	136	Texas Instruments	5,595	12.5
133	141	General Mills	5,549	14.6
134	128	Southern Calif Edison	5,493	3.4
135	123	FPL Group	5,469	0.7
136	115	Santa Fe Southern	5,448	–3.2
137	143	Bristol-Myers	5,401	11.7
138	127	Pacific Enterprises	5,339	0.3
139	146	PPG Industries	5,183	10.6
140	145	Martin Marietta	5,165	8.7
141	200	NWA	5,142	43.3
142	132	Consolidated Edison	5,094	–2.0
143	151	HJ Heinz	5,088	11.9
144	131	First Interstate Bncp	5,080	–3.0
145	167	Merck	5,061	22.6
146	138	American Home Prods	5,028	2.1
147	156	Pfizer	4,920	9.9
148	150	CPC International	4,903	7.8
149	176	James River Corp Va	4,894	22.9
150	162	Kimberly-Clark	4,885	13.5
151	178	Quaker Oats	4,872	23.3
152	166	McDonald's	4,853	17.1
153	160	USF&G	4,826	11.3
154	142	American Electric	4,788	–1.1
155	174	Gulf & Western	4,775	19.2
156	163	Litton Industries	4,736	10.4
157	172	Amerada Hess	4,707	17.2
158	224	Deere	4,701	42.8
159	137	Hospital Corp	4,676	–5.2
160	155	Campbell Soup	4,642	3.5
161	161	Bethlehem Steel	4,621	6.6
162	159	Champion Intl	4,615	5.2
163	187	Ryder System	4,609	22.3
164	177	Wells Fargo	4,572	15.3
165	191	WR Grace	4,515	21.2
166	168	Capital Cities/ABC	4,440	7.7
167	185	Walgreen	4,436	16.6
168	184	Abbott Laboratories	4,388	15.2
169	180	Stop & Shop Cos	4,343	12.2
170	270	Triangle Industries	4,336	62.5

The Forbes Sales 500

Rank 1987	Rank 1986	Company	Sales ($mil)	Change over 1986 %
171	189	SmithKline Beckman	4,329	15.6
172	149	Teledyne	4,288	–5.8
173	197	Reynolds Metals	4,284	17.7
174	201	Bank of Boston	4,269	20.6
175	175	First Chicago	4,245	6.1
176	154	Pub Svc Enterprise	4,211	–6.4
177	226	Mead	4,209	30.8
178	188	Time Inc	4,193	11.5
179	173	Whirlpool	4,179	4.2
180	182	American Cyanamid	4,166	9.2
181	194	Dana	4,142	12.1
182	210	Scott Paper	4,122	19.9
183	170	Norfolk Southern	4,113	0.9
184	179	Texas Utilities	4,083	3.8
185	157	Fluor	4,061	–8.9
186	234	Trans World Airlines	4,056	29.0
187	164	IC Industries	4,027	–4.6
188	202	Firestone	3,997	13.0
189	212	Sysco	3,991	16.9
190	186	Gt Western Financial	3,969	5.2
191	218	National Intergroup	3,960	18.4
192	181	Wetterau	3,942	2.5
193	199	MCI Communications	3,939	9.7
194	193	Fireman's Fund	3,927	6.2
195	190	Boise Cascade	3,821	2.2
196	219	Kellogg	3,793	13.5
197	254	Primerica	3,762	30.3
198	227	Chubb	3,714	15.8
199	213	Duke Power	3,706	9.0
200	165	Alco Standard	3,673	–11.6
201	221	Kemper	3,663	10.0
202	222	Tandy	3,655	10.0
203	215	Navistar Intl	3,647	8.1
204	192	Eli Lilly	3,644	–2.1
205	203	Houston Industries	3,628	2.6
206	247	Pan Am	3,593	18.3
207	211	Cooper Industries	3,586	4.4
208	171	Texas Eastern	3,573	–12.3
209	236	Limited	3,528	12.3
210	253	Federal Express	3,522	21.4
211	232	Henley Group	3,516	10.8
212	259	Price Co	3,487	24.2
213	239	Warner-Lambert	3,485	12.3
214	198	First Executive	3,482	–4.1
215	144	Wickes Cos	3,477	–27.1
216	205	Middle South Utils	3,455	–0.9
217	231	Inland Steel Inds	3,453	8.8
218	230	General Re	3,448	8.6
219	265	Household Intl	3,441	25.5
220	241	Staley Continental	3,409	10.1
221	225	First Boston	3,405	4.5
222	257	Warner Comm	3,404	19.5
223	250	American Standard	3,400	13.4
224	488	AMAX	3,383	158.8
225	204	Halliburton	3,373	–4.4
226	217	Control Data	3,367	0.6
227	229	St Paul Cos	3,366	5.8
228	235	Reliance Group	3,363	6.9
229	237	Dun & Bradstreet	3,359	7.9
230	233	Bergen Brunswig	3,358	6.6
231	306	Capital Holding	3,351	46.2
232	351	Coca-Cola Enterpr	3,329	70.6
233	209	Grumman	3,325	–3.4
234	207	Mellon Bank	3,321	–3.9
235	■	Vons Cos	3,276	10.9
236	223	United Brands	3,268	–1.2
237	245	Dominion Resources	3,251	5.8
238	■	Consolidated Rail	3,247	3.3
239	195	Transco Energy	3,242	–12.2
240	332	Stone Container	3,233	59.1
241	208	Dresser Industries	3,204	–7.3
242	280	Interco	3,200	25.7
243	242	Philadelphia Electric	3,181	2.9
244	258	Gillette	3,167	12.4
245	289	Morgan Stanley	3,148	27.8
246	249	FMC	3,139	4.5
247	183	Eaton	3,138	–17.7
248	291	Toys "R" Us	3,137	28.3
249	397	Brunswick	3,086	79.7
250	252	Times Mirror	3,080	5.5
251	261	Gannett	3,079	9.9
252	271	Humana	3,064	10.1
253	269	Wang Laboratories	3,048	14.2
254	279	Combustion Eng	3,042	19.2
255	334	Apple Computer	3,041	49.8
256	372	USAir Group	3,001	63.5
257	228	National Medical	2,987	–6.7
258	246	United Telecom	2,982	–2.5
259	220	Finl Corp of America	2,955	–11.3
260	295	Food Lion	2,954	22.7
261	268	Walt Disney	2,951	8.4
262	273	Armco	2,927	10.9
263	244	Contel	2,905	–5.5
264	266	USG	2,898	6.4
265	196	Owens-Corning	2,891	–20.7
266	256	Detroit Edison	2,857	–0.4
267	281	Johnson Controls	2,807	10.7
268	238	CMS Energy	2,801	–9.9
269	216	Columbia Gas System	2,798	–17.0
270	287	Turner	2,790	11.7
271	276	Continental Illinois	2,788	8.7
272	267	Enserch	2,770	1.7
273	304	Cummins Engine	2,767	20.1
274	255	Avon Products	2,763	–4.2
275	148	CBS	2,762	–40.6
276	340	Waste Management	2,758	36.7
277	288	American Medical	2,735	9.7
278	285	Service Merchandise	2,719	7.6
279	297	Schering-Plough	2,699	12.5
280	284	Giant Food	2,697	12.7
281	275	Hercules	2,693	3.0
282	348	PNC Financial	2,678	36.1
283	263	General Public Utils	2,673	–4.1
284	248	HF Ahmanson	2,648	–12.6
285	262	Ingersoll-Rand	2,648	–5.4
286	■	Carter Hawley Hale	2,641	–11.9
287	375	Bank of New England	2,629	43.7
288	283	First Union	2,626	3.8
289	272	Niagara Mohawk Pwr	2,623	–1.4
290	282	Kerr-McGee	2,608	2.9
291	298	Genuine Parts	2,606	8.9
292	296	Safeco	2,592	8.1
293	292	MCA	2,590	6.1
294	331	Gt Northern Nekoosa	2,589	27.0
295	313	Ethyl	2,579	15.5
296	434	VF	2,574	66.6
297	405	Quantum Chemical	2,567	52.4
298	315	Circle K	2,564	15.7
299	290	SunTrust Banks	2,561	4.0
300	■	Fleet/Norstar Finl	2,536	15.7
301	307	Upjohn	2,530	10.4
302	339	Provident Life & Acc	2,515	24.7
303	243	Greyhound	2,501	–19.0
304	316	Home Group	2,495	13.8
305	358	TW Services	2,492	29.9
306	300	CalFed	2,484	5.4
307	337	American Petrofina	2,484	23.0
308	312	RR Donnelley	2,483	11.2
309	251	First Bank System	2,481	–15.3
310	308	Engelhard	2,479	8.3
311	379	Aon	2,469	36.7
312	305	NCNB	2,461	7.2
313	324	Emhart	2,455	17.2
314	309	Lowe's Cos	2,442	6.9
315	294	PaineWebber	2,437	1.6
316	277	Central & South West	2,436	–4.6
317	319	Hershey Foods	2,434	12.2
318	356	Geo A Hormel	2,428	26.5
319	382	Paccar	2,424	35.0
320	362	First RepublicBank	2,420	27.8
321	■	First Fidelity Bncp	2,414	8.0
322	433	ICH	2,412	56.1
323	354	Armstrong World Inds	2,365	23.2
324	363	Zenith Electronics	2,363	24.9
325	■	Shawmut National	2,341	19.2
326	318	Berkshire Hathaway	2,338	7.4
327	274	Consol Natural Gas	2,322	–11.5
328	353	AMP	2,318	19.9
329	328	Union Camp	2,308	12.8
330	390	Universal	2,298	32.1
331	293	Norwest	2,298	–5.1
332	322	Consol Freightways	2,297	8.1
333	360	Barnett Banks	2,286	19.5
334	402	Rite Aid	2,273	33.5
335	345	Pitney Bowes	2,251	13.3

■ Not on 500 list in 1986.

The Forbes Sales 500

Rank 1987	Rank 1986	Company	Sales ($mil)	Change over 1986 %
336	369	Dillard Dept Stores	2,206	19.2
337	326	Rohm & Haas	2,203	6.6
338	350	Premark Intl	2,197	12.2
339	349	Amfac	2,195	11.9
340	330	Air Prods & Chems	2,187	7.2
341	278	BF Goodrich	2,168	–15.1
342	342	US Shoe	2,168	8.2
343	357	Morton Thiokol	2,166	12.9
344	352	Irving Bank	2,166	11.9
345	327	PacifiCorp	2,163	4.6
346	335	Tribune	2,160	6.4
347	384	Squibb	2,157	20.8
348	336	Mercantile Stores	2,156	6.3
349	380	Marsh & McLennan	2,147	19.0
350	388	Bank of New York	2,141	22.3
351	387	GlenFed	2,123	19.7
352	■	Ames Dept Stores	2,112	11.8
353	323	UNUM Corp	2,094	–1.1
354	338	Beverly Enterprises	2,094	3.7
355	317	Pennsylvania P&L	2,089	–4.6
356	344	Harris Corp	2,084	4.8
357	368	Corning Glass Works	2,084	12.3
358	329	Carolina Power & Lt	2,082	2.0
359	333	Northeast Utilities	2,081	2.4
360	361	Knight-Ridder	2,073	8.5
361	347	Long Island Lighting	2,072	4.8
362	406	Natl Semiconductor	2,068	23.2
363	320	Best Products	2,067	–3.5
364	355	Manville	2,063	7.4
365	■	Southmark	2,059	40.7
366	444	Masco	2,023	39.3
367	438	Sovran Financial	2,019	35.1
368	381	Black & Decker	2,018	12.2
369	374	Parker-Hannifin	2,014	10.0
370	■	Baker Hughes	2,007	–3.8
371	446	Monarch Capital	1,992	37.9
372	314	KaiserTech	1,987	–10.6
373	401	Allegheny Power	1,981	16.3
374	420	NBD Bancorp	1,968	21.9
375	371	Westvaco	1,964	7.0
376	370	Banc One	1,960	6.1
377	365	Florida Progress	1,958	4.4
378	377	Union Electric	1,946	7.7
379	359	Centerior Energy	1,946	1.5
380	492	Temple-Inland	1,938	19.9
381	400	Olin	1,930	13.0
382	496	Pinnacle West	1,928	51.3
383	436	Louisiana-Pacific	1,922	27.6
384	415	Nordstrom	1,920	17.8
385	426	Nash Finch	1,919	22.0
386	394	Maytag	1,909	10.7
387	396	Roadway Services	1,909	11.1
388	498	Intel	1,907	50.8
389	413	San Diego G&E	1,904	16.5
390	466	American Family	1,876	33.9
391	399	Mack Trucks	1,858	8.5
392	325	Morrison-Knudsen	1,857	–10.9
393	407	Citizens & Southern	1,854	11.5
394	404	Fred Meyer	1,848	9.5
395	■	Maxicare Health	1,839	101.1
396	302	Bear Stearns Cos	1,837	7.3
397	463	Alco Health Services	1,831	30.2
398	449	American President	1,825	26.7
399	373	Baltimore G&E	1,809	–1.4
400	441	Intl Minerals & Chem	1,802	23.2
401	411	Tyson Foods	1,796	9.7
402	392	First Wachovia	1,796	3.8
403	431	Sherwin-Williams	1,793	15.4
404	395	Meritor Financial	1,787	3.7
405	385	Pennzoil	1,786	0.2
406	367	Williams Cos	1,780	–4.2
407	389	Ohio Edison	1,780	2.2
408	321	MCorp	1,774	–16.7
409	412	Longs Drug Stores	1,772	8.4
410	386	No States Power	1,770	–0.6
411	435	Payless Cashways	1,768	15.9
412	416	Polaroid	1,764	8.3
413	473	Stanley Works	1,763	28.6
414	346	West Point-Pepperell	1,762	–11.1
415	470	Browning-Ferris Inds	1,761	27.0
416	398	Yellow Freight Sys	1,760	2.7
417	432	Fort Howard	1,758	13.5
418	425	McGraw-Hill	1,751	11.1
419	391	Castle & Cook	1,749	0.6
420	341	Subaru of America	1,746	–13.5
421	■	Diamond Shamrock	1,741	6.3
422	418	Crown Cork & Seal	1,718	6.1
423	■	Illinois Tool Works	1,698	76.7
424	428	New York Times	1,690	8.0
425	445	Trinova	1,682	16.2
426	462	Brown Group	1,678	19.3
427	422	Bally Manufacturing	1,676	5.2
428	440	Avnet	1,671	13.2
429	472	Student Loan	1,668	21.2
430	461	Republic New York	1,665	18.3
431	410	Holiday	1,663	0.9
432	437	Springs Industries	1,661	10.4
433	408	Public Service Colo	1,657	0.0
434	419	Colt Industries	1,642	1.6
435	427	Mapco	1,637	4.2
436	469	Becton Dickinson	1,636	17.7
437	409	JP Stevens	1,635	–1.3
438	240	GenCorp	1,619	–47.8
439	471	Intl Multifoods	1,617	16.6
440	■	Phelps Dodge	1,612	90.5
441	423	General Signal	1,603	1.2
442	■	MNC Financial	1,598	16.3
443	429	Torchmark	1,590	2.3
444	448	Dover	1,586	10.1
445	454	Geico	1,580	10.5
446	455	Ohio Casualty	1,575	11.3
447	310	Panhandle Eastern	1,563	–30.5
448	■	Costco Wholesale	1,548	83.7
449	■	PHH Group	1,545	64.4
450	■	Midlantic	1,543	56.3
451	442	Super Food Services	1,533	4.9
452	499	Holly Farms	1,524	20.7
453	490	Harcourt Brace	1,518	16.8
454	■	Kaufman & Broad	1,518	33.4
455	467	Koppers	1,516	8.5
456	■	Freeport-McMoRan	1,514	76.8
457	■	Hills Dept Stores	1,514	12.7
458	■	Amdahl	1,505	55.8
459	476	Dean Foods	1,496	9.9
460	465	Square D	1,484	5.8
461	475	Centel	1,476	7.7
462	487	Murphy Oil	1,474	12.2
463	■	Masco Industries	1,470	106.4
464	451	So N England Telcom	1,470	2.6
465	484	National City	1,468	10.7
466	491	Automatic Data	1,467	13.0
467	■	Avery International	1,466	29.6
468	■	Cabot	1,464	16.7
469	■	Home Depot	1,454	43.7
470	417	Nipsco Industries	1,452	–10.7
471	468	CoreStates Financial	1,449	4.2
472	453	New England Electric	1,448	1.1
473	■	Amoskeag	1,436	28.4
474	378	Nicor	1,436	–20.6
475	439	Gulf States Utilities	1,433	–3.1
476	■	Willamette Inds	1,432	19.3
477	479	Witco	1,428	5.4
478	■	Goldome	1,425	–1.7
479	299	Penn Central	1,421	–40.5
480	■	Gt Am First Savings	1,419	12.8
481	403	Sonat	1,418	–16.2
482	■	Tele-Communications	1,416	127.5
483	■	Chicago Pacific	1,412	47.9
484	■	Hanover Insurance	1,411	21.4
485	■	Fieldcrest Cannon	1,400	29.2
486	■	Reebok International	1,389	51.1
487	480	Tektronix	1,389	2.7
488	■	Valhi	1,383	185.3
489	■	Fleetwood Enterprises	1,381	11.5
490	■	Outboard Marine	1,380	38.0
491	489	Perkin-Elmer	1,378	5.7
492	478	Centex	1,375	1.3
493	450	Sundstrand	1,365	–4.8
494	458	Wisconsin Energy	1,365	–3.3
495	464	Cincinnati G&E	1,357	–3.3
496	■	General Cinema	1,356	35.7
497	■	Asarco	1,355	28.3
498	497	Tesoro Petroleum	1,353	6.5
499	486	Adolph Coors	1,351	2.7
500	460	Wilson Foods	1,345	–4.4

■ Not on 500 list in 1986.

The Forbes Profits 500

500
PROFITS

Last year was a record one for the Profits 500 list. The combined earnings of these corporations exceeded $155 billion.

THE AGGREGATE net income of the 500 largest firms in America rose 10.6%, to almost $156 billion. Gains that healthy usually appear in the early years of an economic recovery, not in an economic expansion that is more than five years old. Have earnings reached a cyclical peak? Wall Street's security analysts, though shaken by the market crash last October, evidently don't think so. The experts expect further, modest earnings growth in 1988 (see the Forbes 500s on Wall Street, page 256).

Rank 1987	Rank 1986	Company	Net profits ($mil)	Change over 1986 %	Cash flow ($mil)	Cash flow rank 1987
1	2	**IBM**	5,258.0	9.8	9,648	2
2	1	**Exxon**	4,840.0	–9.7	9,079	3
3	3	**Ford Motor**	4,625.2	40.8	7,793	4
4	4	**General Motors**	3,550.9	20.6	9,663	1
5	5	**General Electric**	2,119.0	–15.0	3,663	9
6	115	**American Tel & Tel**	2,044.0	551.0	5,768	5
7	8	**Philip Morris Cos**	1,842.0	24.6	2,546	20
8	7	**EI du Pont**	1,786.0	16.1	4,011	7
9	6	**BellSouth**	1,664.8	4.8	4,163	6
10	11	**Sears, Roebuck**	1,498.9	10.9	2,046	24

Profits of nearly $5.3 billion were good enough to move IBM into first place in 1987. IBM's earnings rose 9.8% over last year's depressed level but are still 19% below their 1984 peak. AT&T shot up from 115 last year to 6 on the current list. The company drastically cut its losses from computer operations and realized improved revenues on its long-distance operations.

Strong domestic demand, new products, a weak dollar and cost-cutting measures also helped IBM's major competitors. Honeywell, Wang Labs, Texas Instruments and Unisys went from deficits in 1986 to millions in profits. Compaq Computer and Computer Associates International joined the Forbes Profits 500 list for the first time. B.F. Goodrich returned after a two-year absence. The company sold off its tire business and is now focusing on chemicals.

Notably absent from the profits list are such money center banks as Manufacturers Hanover, Citicorp, BankAmerica, Chase Manhattan, Chemical New York and Mellon Bank. Fifteen major banks alone racked up 1987 losses exceeding $9.9 billion.

Winners

The leaders in profit rebounds

Rank 1987	Rank 1986	Company	Net profits ($mil)	Change over 1986 %
383	■	**Texas Eastern**	96.1	7,482.6
311	■	**Golden Nugget**	137.5	3,923.1
239	■	**Air Prods & Chems**	179.5	3,050.0
117	■	**Allegis**	335.1	2,788.9
378	497	**Kansas Gas & Elec**	97.4	2,374.3

■ Not on 500 list in 1986.

Losers

The laggards in profit growth

Rank 1987	Rank 1986	Company	Net profits ($mil)	Change over 1986 %
431	26	**JP Morgan**	83.3	–90.5
300	64	**Salomon**	142.0	–72.5
176	38	**Union Carbide**	232.0	–66.8
246	62	**Norfolk Southern**	172.4	–66.8
397	148	**American Natl Ins**	92.1	–62.9

Rank 1987	Rank 1986	Company	Net profits ($mil)	Change over 1986 %	Cash flow ($mil)	Cash flow rank 1987
11	34	**Amoco**	1,360.0	82.1	3,655	10
12	10	**Chrysler**	1,289.7	–8.1	2,165	22
13	19	**RJR Nabisco**	1,289.0	21.1	1,941	25
14	28	**Digital Equipment**	1,284.3	49.1	1,750	27
15	13	**Nynex**	1,276.5	5.0	3,307	14
16	9	**Mobil**	1,258.0	–10.6	3,804	8
17	35	**Dow Chemical**	1,245.0	68.0	2,059	23
18	15	**Bell Atlantic**	1,240.4	6.3	3,357	13
19	47	**Atlantic Richfield**	1,224.0	99.0	2,961	16
20	16	**Ameritech**	1,188.1	4.4	2,981	15
21	99	**Eastman Kodak**	1,178.0	215.0	2,173	21
22	14	**GTE**	1,118.8	–5.5	3,592	11
23	21	**Commonwealth Ed**	1,085.8	3.4	1,829	26
24	57	**ITT**	1,084.9	101.1	1,569	28
25	22	**Southwestern Bell**	1,047.1	2.4	2,697	17
26	37	**Chevron**	1,007.0	40.8	3,521	12
27	24	**US West**	1,005.5	8.8	2,647	19
28	18	**Pacific Telesis**	950.0	–12.0	2,658	18
29	29	**American Intl Group**	932.0	17.1	932	63
30	30	**Minn Mining & Mfg**	918.0	17.8	1,482	30
31	23	**Coca-Cola**	916.1	–2.0	1,070	48
32	40	**Merck**	906.4	34.1	1,116	42
33	110	**Johnson & Johnson**	883.0	168.0	1,239	37
34	27	**Aetna Life & Cas**	871.1	0.7	959	58
35	31	**American Home Prods**	845.1	8.5	958	59
36	170	**Hercules**	820.7	262.0	955	61
37	289	**Goodyear**	770.9	521.2	1,121	41
38	41	**Westinghouse**	738.9	10.2	1,057	49
39	32	**Southern Calif Edison**	720.6	–6.3	1,409	32
40	39	**Cigna**	719.1	4.0	719	97
41	50	**Bristol-Myers**	709.6	20.4	826	81
42	60	**Hewlett-Packard**	707.0	35.2	1,053	50
43	55	**Loews**	696.2	27.6	766	91
44	49	**K mart**	692.2	15.6	1,093	46
45	44	**Pfizer**	690.2	4.6	852	74
46	46	**Texas Utilities**	680.0	8.5	941	62
47	45	**Rockwell Intl**	678.6	6.9	1,278	34
48	53	**Eli Lilly**	643.7	15.3	828	80
49	56	**Abbott Laboratories**	632.6	17.0	876	72
50	76	**Wal-Mart Stores**	627.6	39.4	791	88
51	63	**Anheuser-Busch Cos**	614.7	18.7	930	63
52	59	**JC Penney**	608.0	14.7	849	75
53	17	**Pacific G&E**	597.2	–44.8	1,472	31
54	48	**Allied-Signal**	597.0	–1.3	962	57
55	74	**PepsiCo**	594.8	29.9	1,158	39
56	428	**United Technologies**	591.7	713.6	1,103	45
57	■	**Union Pacific**	583.0	D–P	1,036	52
58	■	**Unisys**	578.0	D–P	1,196	38
58	72	**Xerox**	578.0	24.4	1,384	33
60	61	**SmithKline Beckman**	570.1	9.4	770	90
61	42	**American General**	563.0	–15.9	563	122
62	69	**Detroit Edison**	555.0	16.3	792	87
63	25	**Southern Company**	554.4	–37.2	1,277	35
64	54	**Consolidated Edison**	550.1	0.7	842	77
65	68	**McDonald's**	549.1	14.5	887	68

Rank 1987	Rank 1986	Company	Net profits ($mil)	Change over 1986 %	Cash flow ($mil)	Cash flow rank 1987
66	52	**Philadelphia Electric**	542.4	96.1	880	71
67	12	**American Express**	533.3	–57.3	533	131
68	102	**American Brands**	522.7	43.1	664	105
69	97	**Pub Svc Enterprise**	520.5	37.5	1,019	54
70	■	**LTV**	502.6	D–P	753	93
71	65	**American Electric**	502.5	–0.9	958	60
72	71	**Duke Power**	500.2	6.9	1,115	43
73	117	**General Re**	489.6	60.4	490	140
74	82	**Emerson Electric**	482.8	16.4	704	101
75	33	**Procter & Gamble**	481.0	–36.5	1,139	40
76	43	**Boeing**	480.0	–27.8	966	56
77	279	**GenCorp**	475.0	265.4	533	132
78	125	**Georgia-Pacific**	458.0	54.7	845	76
79	120	**Walt Disney**	455.3	50.6	809	84
80	92	**CBS**	452.8	16.3	516	133
81	133	**Weyerhaeuser**	446.6	61.4	817	82
82	89	**Raytheon**	445.1	13.2	682	104
83	91	**Kraft**	444.2	13.9	592	116
84	95	**May Dept Stores**	444.0	16.5	714	98
85	■	**General Dynamics**	437.3	D–P	758	92
86	78	**Monsanto**	436.0	0.7	1,115	44
87	80	**Houston Industries**	435.0	2.4	731	94
88	81	**CSX**	432.0	3.3	976	55
89	96	**Dominion Resources**	430.5	13.3	865	73
90	75	**Middle South Utils**	429.5	–4.8	814	83
91	142	**Transamerica**	427.2	59.7	559	126
92	86	**Lockheed**	421.0	3.2	774	89
93	109	**NCR**	419.3	24.6	714	99
94	83	**Ohio Edison**	412.9	0.5	612	113
95	118	**International Paper**	407.0	33.4	805	85
96	101	**FPL Group**	402.9	10.3	901	67
97	112	**Kellogg**	395.9	24.1	509	136
98	107	**Dun & Bradstreet**	393.0	15.6	574	119
99	70	**Merrill Lynch**	390.6	–16.8	641	109
100	90	**Centerior Energy**	390.4	–0.4	584	117
101	196	**Champion Intl**	382.0	90.2	634	112
102	111	**HJ Heinz**	378.5	15.9	488	141
103	173	**Teledyne**	377.2	70.1	475	146
104	114	**PPG Industries**	377.1	19.2	660	107
105	214	**Fedl Natl Mortgage**	376.0	105.5	376	192
106	■	**Santa Fe Southern**	373.5	D–P	914	65
107	104	**Central & South West**	372.0	4.7	636	111
108	■	**Burlington Northern**	369.3	D–P	903	66
109	166	**Fireman's Fund**	362.3	58.6	385	187
110	58	**Ralston Purina**	359.9	–32.6	603	114
111	73	**Squibb**	358.4	–22.8	404	176
112	175	**CPC International**	354.8	61.9	569	120
113	145	**Gulf & Western**	349.9	32.6	923	64
114	94	**Sun Company**	348.0	–9.6	1,034	53
115	103	**Carolina Power & Lt**	343.4	–4.0	711	100
116	413	**Newmont Mining**	339.7	350.4	410	169
117	■	**Allegis**	335.1	2,788.9	884	70
118	105	**Union Electric**	333.9	–2.9	559	127
119	158	**Archer-Daniels**	331.3	40.4	498	138
120	67	**Baxter Travenol**	331.0	–34.1	645	108

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121	141	Chubb	330.1	23.2	349	213
122	100	Waste Management	327.1	–11.8	559	125
123	140	Kimberly-Clark	325.2	20.7	511	135
124	134	Gannett	319.4	15.6	480	143
125	409	Caterpillar	319.0	319.7	722	96
126	238	St Paul Cos	318.8	99.8	342	220
127	143	Schering-Plough	316.4	19.0	406	174
128	132	McDonnell Douglas	313.0	12.8	833	78
129	121	Federated Dept Stores	313.0	3.7	594	116
130	202	Motorola	308.0	58.8	802	86
131	146	Upjohn	305.0	20.7	401	178
132	66	Travelers	302.9	–40.0	431	164
133	124	Pennsylvania P&L	302.5	0.8	560	124
134	154	Marsh & McLennan Cos	302.1	24.2	372	196
135	137	Baltimore G&E	300.1	9.3	479	144
136	209	Warner Comm	298.3	60.6	441	158
137	116	Warner-Lambert	295.8	–4.4	375	194
138	155	Sara Lee	294.9	22.3	474	148
139	179	Tandy	289.8	33.9	356	207
140	128	Illinois Power	289.6	–1.1	466	149
141	151	Textron	288.9	17.5	492	140
142	156	Melville	285.4	19.7	361	202
143	126	First Union	283.1	–4.3	378	191
144	152	SunTrust Banks	282.8	15.4	380	190
145	244	Apple Computer	280.4	80.3	353	211
146	215	Capital Cities/ABC	279.1	53.4	437	159
147	192	American Cyanamid	275.6	36.1	476	145
148	113	Long Island Lighting	269.9	–14.8	355	209
149	160	Pinnacle West	268.4	14.6	462	150
150	172	Borden	267.1	19.6	426	166
151	■	Consolidated Rail	267.0	–15.5	514	134
152	85	Times Mirror	266.5	–34.7	432	162
153	147	PacifiCorp	266.3	6.1	534	130
154	136	USF&G	265.3	–3.5	282	248
155	168	Campbell Soup	265.2	16.4	410	170
156	188	General Public Utils	259.1	26.2	550	128
157	■	Texas Instruments	256.9	543.9	637	110
158	■	Honeywell	253.7	D–P	574	118
159	■	IC Industries	251.7	D–P	366	199
160	412	Quantum Chemical	251.6	232.8	407	172
161	382	Pacific Enterprises	251.2	200.4	484	142
162	180	FW Woolworth	251.0	17.3	398	179
163	98	Time Inc	250.0	–33.6	455	153
164	178	General Mills	249.8	14.8	394	181
165	234	AMP	249.7	51.9	390	183
166	■	Freeport-McMoRan	248.8	868.1	460	152
167	181	Farmers Group	246.7	15.6	279	251
168	177	TRW	243.4	11.8	550	129
169	153	Gulf States Utilities	241.1	–1.6	429	165
170	■	Himont	240.3	63.3	280	249
171	129	Lincoln National	236.9	–16.7	271	257
172	169	Limited	235.2	3.3	340	223
173	130	Berkshire Hathaway	234.6	–16.9	261	263
174	207	Scott Paper	233.8	25.4	493	139
175	201	Delta Air Lines	232.6	19.7	561	123
176	38	Union Carbide	232.0	–66.8	695	102
177	164	Safeco	231.4	1.2	231	293
178	194	Morgan Stanley	230.9	14.8	251	269
179	193	Martin Marietta	230.7	14.0	404	175
180	■	Gillette	229.9	1,355.1	355	208
181	■	Amerada Hess	229.9	D–P	661	106
182	122	Northeast Utilities	229.1	25.9	424	168
183	106	Dayton Hudson	228.4	–33.3	461	151
184	144	Alcoa	224.0	–15.2	831	79
185	206	Marriott	223.0	16.3	390	184
186	195	Kemper	221.7	10.2	222	303
187	149	Household International	221.5	–10.6	276	253
188	■	Owens-Corning	220.5	1,309.6	342	221
189	190	Masco	218.8	7.6	282	246
190	■	Mead	218.2	402.8	386	186
191	240	RR Donnelley	218.2	37.9	358	204
192	257	Sovran Financial	217.4	47.0	283	245
193	123	Gt Western Financial	210.1	–30.2	251	271
194	183	Pillsbury	209.4	0.1	442	157
195	159	Quaker Oats	209.2	–10.9	333	225
196	198	Banc One	208.9	4.5	252	268
197	■	Asarco	208.4	2,179.6	268	260
198	186	Potomac Electric	208.2	1.1	324	228
199	280	Union Camp	207.5	59.7	385	188
200	189	Allegheny Power	207.0	1.6	366	200
201	■	USX	206.0	D–P	1,538	29
202	184	No States Power	204.9	–1.0	449	154
203	157	PNC Financial	204.8	–13.7	205	321
204	171	USG	204.3	–9.4	300	238
205	251	Toys "R" Us	203.9	34.0	248	277
206	212	Dow Jones	203.0	10.7	293	240
207	272	Eaton	201.2	46.2	315	230
208	187	Torchmark	200.9	–2.4	216	311
209	330	Reynolds Metals	200.7	97.0	371	197
210	378	Gt Northern Nekoosa	200.6	135.2	343	218
211	119	HF Ahmanson	200.2	–34.1	273	254
212	232	Pitney Bowes	199.4	18.8	342	219
213	174	Primerica	198.6	–9.7	254	267
214	131	AMR	198.4	–28.9	684	103
215	259	James River Corp Va	195.8	33.1	404	177
216	236	Barnett Banks	195.6	20.8	257	264
217	271	Rohm & Haas	195.5	41.7	315	231
218	344	USAir Group	194.6	97.9	325	227
219	220	Ethyl	193.3	8.8	289	242
220	■	Humana	192.7	399.7	375	195
221	250	FMC	191.2	25.4	392	182
222	235	Corning Glass Works	189.1	16.6	335	224
223	216	Florida Progress	187.8	3.6	363	201
224	237	Ryder System	187.1	16.3	729	95
225	219	CMS Energy	186.9	5.1	425	167
226	336	Washington Post	186.7	86.4	242	281
227	223	Consol Natural Gas	186.0	6.5	395	180
228	■	Fleet/Norstar Finl	185.1	–23.4	303	235
229	77	Continental Corp	184.7	–58.9	228	299
230	264	Browning-Ferris Inds	184.4	26.5	375	193

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231	228	Occidental Petroleum	184.0	6.9	1,092	47
232	■	Kroger	183.3	256.0	406	173
233	454	Affiliated Pubs	183.3	177.3	204	322
234	332	Boise Cascade	183.0	80.2	369	198
235	199	Whirlpool	181.1	–9.3	312	232
236	267	Student Loan	181.0	25.2	181	353
237	222	Unocal	181.0	2.8	1,269	36
238	281	VF	179.7	38.9	269	259
239	■	Air Prods & Chems	179.6	3,050.0	431	163
240	182	San Diego G&E	179.1	–16.0	358	206
241	242	First Executive	177.8	13.3	178	359
242	■	Navistar Intl	176.9	D–P	220	304
243	203	First Wachovia	176.6	–8.9	224	302
244	■	Intel	175.5	D–P	347	215
245	258	Cooper Industries	173.8	17.7	309	234
246	62	Norfolk Southern	172.4	–66.8	474	147
247	265	Home Group	172.2	18.7	172	366
248	139	Capital Holding	172.1	–37.1	193	342
249	■	Federal Express	170.9	D–P	432	161
250	■	Argonaut Group	170.8	649.1	171	368
251	241	Wisconsin Energy	169.5	7.5	295	239
252	312	Brunswick	168.8	53.0	310	233
253	229	New England Electric	168.8	–1.9	353	210
254	233	CalFed	166.9	1.5	220	306
255	200	NCNB	166.9	–16.1	244	280
256	277	Reebok International	165.2	25.0	171	367
257	249	McGraw-Hill	164.8	7.0	230	295
258	388	Manville	164.1	102.0	257	265
259	176	Geico	163.0	–25.1	174	364
260	256	CoreStates Financial	162.3	9.6	197	330
261	263	NBD Bancorp	162.2	11.3	196	337
262	310	Midlantic	161.5	43.2	196	333
263	■	Stone Container	161.3	355.5	300	237
264	■	Deere	161.0	D–P	347	214
265	■	WR Grace	160.5	D–P	389	185
266	276	New York Times	160.3	21.3	242	282
267	317	Westvaco	159.3	48.5	291	241
268	239	Avon Products	159.1	0.3	230	296
269	■	Shawmut National	158.9	–18.7	233	290
270	243	Citizens & Southern	157.9	1.3	210	317
271	261	Fort Howard	157.7	7.8	283	243
272	315	Centel	157.1	44.1	358	205
273	150	Aon	156.2	–36.8	215	314
274	269	Knight-Ridder	155.2	10.8	255	266
275	268	American Stores	154.3	6.8	350	212
276	■	Carnival Cruise Lines	152.8	56.4	177	360
277	306	Maytag	152.7	30.7	189	346
278	278	Morton Thiokol	152.5	15.9	239	285
279	211	Golden West Finl	151.6	–17.5	176	363
280	253	Duquesne Light	151.3	–0.1	265	262
281	■	Litton Industries	151.0	208.8	321	229
282	■	Phelps Dodge	150.6	262.0	231	294
283	295	Armstrong World Inds	150.4	22.9	242	283
284	307	Automatic Data	149.8	29.8	249	275
285	361	MNC Financial	148.8	21.2	181	355

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286	299	Deluxe Check	148.5	22.6	194	339
287	298	Genuine Parts	148.3	22.0	170	370
288	275	Hershey Foods	148.2	11.6	219	308
289	292	Jefferson-Pilot	147.7	20.0	152	393
290	304	ConAgra	147.4	25.6	228	300
291	288	Cray Research	147.1	17.8	219	307
292	■	Homestake Mining	146.4	548.5	203	325
293	210	Ashland Oil	146.2	–21.2	408	171
294	161	Lucky Stores	145.8	–37.5	239	284
295	302	Public Service Ind	145.3	22.2	233	291
296	262	Utah Power & Light	144.8	–1.0	251	272
297	376	Dana	144.4	68.2	249	273
298	291	Public Service Colo	143.7	16.0	266	261
299	■	Beneficial Corp	142.2	D–P	160	381
300	64	Salomon	142.0	–72.5	182	350
301	■	Amdahl	142.0	261.0	248	276
302	■	Ecolab	141.7	214.1	195	338
303	252	ICH	141.6	–6.8	179	357
304	127	Tribune	141.5	–51.7	249	274
305	389	Temple-Inland	141.4	75.0	236	287
306	230	Bank of New England	140.5	–18.2	199	328
307	314	GlenFed	140.2	27.8	190	345
308	345	Hilton Hotels	139.9	42.9	196	335
309	270	So N England Telcom	139.7	0.4	346	216
310	343	Interco	139.4	41.5	197	331
311	■	Golden Nugget	137.5	3,923.1	156	385
312	421	Wickes Cos	137.5	86.1	282	247
313	246	MCA	137.3	–11.6	886	69
314	■	Compaq Computer	136.3	217.7	159	383
315	287	Becton Dickinson	135.2	8.3	232	292
316	423	Rite Aid	133.8	81.4	178	358
317	324	UST	130.9	25.9	148	397
318	225	Bear Stearns Cos	129.9	–25.4	130	427
319	311	Mercantile Stores	129.6	16.6	177	362
320	296	Scana	128.9	5.5	239	286
321	205	American Standard	127.1	–34.2	244	279
322	303	Tucson Electric	126.0	7.3	169	371
323	325	Reliance Group	125.9	21.2	145	405
324	337	Albertson's	125.4	25.2	198	329
325	435	Marion Laboratories	125.2	76.3	145	403
326	460	Louisiana-Pacific	125.0	92.6	273	256
327	357	Zayre	122.8	32.9	204	323
328	417	Willamette Inds	121.3	62.5	208	320
329	335	Clorox	120.9	20.2	152	391
330	313	Puget Sound P&L	120.4	9.2	215	312
331	358	Alexander & Baldwin	120.4	30.3	161	379
332	204	Columbia S&L Assn	119.3	–38.3	131	425
333	356	Vulcan Materials	116.2	24.7	194	340
334	326	Polaroid	116.1	12.2	192	343
335	364	Seagate Technology	115.3	27.6	146	401
336	327	Holiday	114.8	11.0	277	252
337	316	Winn-Dixie Stores	114.6	6.3	279	250
338	373	Liz Claiborne	114.4	32.7	120	444
339	283	Oklahoma G&E	114.0	–9.7	210	318
340	227	Cincinnati G&E	113.9	–34.1	200	327

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341	432	Coastal Corp	113.1	58.0	433	160
342	■	Paccar	112.5	107.2	140	411
343	381	Dover	111.7	33.2	174	365
344	■	Inland Steel Inds	111.7	479.7	235	289
345	397	Hanover Insurance	111.7	41.6	112	455
346	338	Columbia Gas System	111.3	12.0	331	226
347	■	Firestone	111.0	158.1	270	258
348	346	TECO Energy	110.7	13.4	212	315
349	341	Square D	110.0	11.2	170	369
350	339	Walgreen	109.1	10.0	165	375
351	218	First Boston	108.9	–39.7	144	407
352	392	Super Valu Stores	108.6	36.4	211	316
353	■	Panhandle Eastern	108.2	D–P	223	303
354	374	Brown-Forman	108.0	25.5	141	410
355	334	Ingersoll-Rand	107.9	7.3	181	356
356	377	Intl Flavors & Frags	107.0	24.9	128	429
357	■	Emhart	106.5	D–P	191	344
358	393	Illinois Tool Works	106.2	33.4	164	376
359	■	Armco	105.4	D–P	217	310
360	■	American Medical	105.1	D–P	301	236
361	■	Sonat	105.0	D–P	247	278
362	■	Alltel	104.4	87.1	230	297
363	347	Southwestern Pub Svc	104.1	6.8	159	382
364	319	Kansas City P&L	104.0	–2.3	201	326
365	■	Bethlehem Steel	103.9	D–P	443	156
366	■	Great A&P Tea	103.4	49.9	235	288
367	245	Bank of New York	103.4	–33.4	152	392
368	407	NWA	103.0	33.9	443	155
369	405	Old Republic Intl	102.8	32.7	103	466
370	433	United Jersey Banks	102.7	43.6	117	446
371	396	Tandem Computers	102.2	29.0	161	380
372	333	American Family	102.1	1.4	102	468
373	328	Home Federal S&L	100.3	–3.0	128	428
374	■	CrossLand Savings	100.1	130.3	139	412
375	390	GAF	100.1	24.0	118	445
376	406	US Bancorp	99.6	29.1	125	436
377	320	Boston Edison	97.7	–8.0	215	313
378	497	Kansas Gas & Elec	97.4	2,374.3	182	351
379	■	Castle & Cook	97.4	121.8	137	415
380	274	National City	96.9	–28.2	123	441
381	383	Johnson Controls	96.6	16.1	196	332
382	321	Sherwin-Williams	96.6	–8.9	126	434
383	■	Texas Eastern	96.1	7,482.6	345	217
384	391	Dreyfus	95.8	18.9	98	479
385	369	Consolidated Papers	95.8	9.4	139	413
386	254	Public Service NM	95.4	–36.8	181	354
387	331	United Illuminating	95.2	–6.3	148	398
388	308	UNUM Corp	94.8	–17.6	103	467
389	■	Wang Laboratories	94.4	D–P	361	203
390	■	Northrop	94.2	128.6	341	222
391	260	Provident Life & Acc	93.9	–36.0	126	433
392	354	Cincinnati Financial	93.2	–0.3	101	470
393	491	Microsoft	92.9	61.2	105	463
394	426	Nordstrom	92.7	27.1	143	408
395	365	Parker-Hannifin	92.2	2.2	168	372
396	447	Harris Corp	92.2	34.4	228	298
397	148	American Natl Ins	92.1	–62.9	98	478
398	■	Intl Minerals & Chem	92.0	D–P	227	301
399	■	Jefferson Smurfit	92.0	228.6	125	435
400	■	Georgia Gulf	91.7	134.5	104	464
401	419	Dillard Dept Stores	91.2	22.5	155	388
402	380	Society	90.9	8.1	113	454
403	375	WW Grainger	90.5	5.1	113	453
404	■	Williams Cos	90.3	D–P	203	324
405	■	Raychem	89.8	82.1	150	394
406	463	Progressive	89.8	38.8	100	472
407	284	DPL	89.5	–28.9	147	400
408	293	Ipalco Enterprises	89.3	–27.2	155	386
409	355	McKesson	88.7	–4.9	147	399
410	362	Kansas Power & Light	88.7	–3.0	156	384
411	455	Snap-on Tools	88.6	35.3	105	462
412	■	Coca-Cola Enterpr	88.4	218.0	283	244
413	395	Crown Cork & Seal	88.3	11.2	145	404
414	496	Alco Standard	88.0	54.4	131	426
415	353	Gt Am First Savings	87.9	–6.3	100	474
416	440	Potlatch	87.6	25.3	153	390
417	467	LIN Broadcasting	87.5	37.0	103	465
418	398	Stanley Works	86.6	10.1	148	396
419	■	First Fidelity Bncp	86.3	–59.3	149	395
420	441	Southmark	86.2	23.6	138	414
421	475	Food Lion	85.8	38.8	123	442
422	416	Bausch & Lomb	85.3	14.3	122	443
423	■	Jostens	85.3	106.8	92	489
424	■	MCI Communications	85.0	D–P	603	115
425	438	Rubbermaid	84.5	20.7	132	421
426	■	Dresser Industries	84.4	D–P	193	341
427	■	Kerr-McGee	84.0	D–P	385	189
428	286	Nicor	83.7	–33.0	184	349
429	442	Medtronic	83.6	19.8	111	456
430	436	Harcourt Brace	83.4	18.4	196	336
431	26	JP Morgan	83.3	–90.5	187	348
432	■	American Petrofina	83.3	D–P	220	305
433	434	State Street Boston	83.1	16.4	98	480
434	371	National Medical	81.8	–5.4	217	309
435	290	General Cinema	81.6	–34.2	145	406
436	470	Price Co	81.4	28.6	93	487
437	404	Boatmen's Bancshares	81.4	4.2	102	469
438	403	Lubrizol	81.3	4.0	134	418
439	■	Bowater	81.1	64.1	167	374
440	468	Nalco Chemical	80.3	26.0	124	439
441	385	KeyCorp	80.0	–2.7	113	452
442	348	Delmarva Power & Lt	79.8	–17.0	155	387
443	359	USLife	79.8	–13.6	89	493
444	445	Meridian Bancorp	79.5	15.1	99	477
445	■	AMAX	79.3	D–P	273	255
446	■	Computer Associates	79.2	159.0	131	424
447	■	BF Goodrich	79.2	514.0	167	373
448	■	American President	79.1	339.3	154	389
449	430	National Service	78.5	8.6	108	460
450	466	Arkla	78.3	22.0	181	352

■ Not on 500 list in 1986. D–P: Deficit to profit.

The Forbes Profits 500

Rank 1987	Rank 1986	Company	Net profits ($mil)	Change over 1986 %	Cash flow ($mil)	Cash flow rank 1987
451	■	First of America Bank	78.3	47.9	87	494
452	■	CalMat	78.1	77.0	113	451
453	414	Olin	78.0	3.7	196	334
454	363	Portland General	78.0	–14.1	189	347
455	444	Tambrands	76.6	10.8	89	492
456	■	**West Point-Pepperell**	76.6	136.7	133	419
457	425	**Louisville G&E**	76.2	3.9	124	438
458	456	**Weis Markets**	76.0	16.4	93	488
459	294	**Trinova**	75.1	–38.7	126	432
460	366	**Colt Industries**	75.0	–15.9	126	431
461	415	PaineWebber	74.6	–0.5	96	483
462	367	Consol Freightways	74.6	–16.3	177	361
463	■	MBIA	74.3	38.6	78	498
464	■	Federal Paper Board	74.0	120.6	127	430
465	■	Michigan National	73.9	41.6	99	476
466	443	**Atlantic Energy**	73.8	34.2	125	437
467	465	**Kentucky Utilities**	73.7	14.7	124	440
468	500	**H&R Block**	72.8	30.2	95	483
469	329	**Ohio Casualty**	72.6	–29.4	79	497
470	■	**Lotus Development**	72.0	49.2	100	473
471	■	Lafarge	71.7	176.4	136	416
472	■	Tecumseh Products	71.6	41.2	101	471
473	■	Premark Intl	71.5	D–P	142	409
474	473	Comerica	71.4	15.4	90	491
475	493	Macmillan	70.7	22.7	114	450
476	■	**Dominiou Bankshares**	70.6	48.9	84	496
477	422	**Central Ill Pub Svc**	70.3	–4.7	132	422
478	■	**Wm Wrigley Jr**	70.1	30.3	91	490
479	■	**Tyson Foods**	70.0	27.4	135	417
480	384	**Minnesota Power**	70.0	–15.3	109	458
481	437	Intergraph	69.9	–0.7	97	481
482	■	Engelhard	69.8	31.1	114	449
483	■	Aristech Chemical	69.7	58.8	99	475
484	451	Gap	69.6	2.2	94	484
485	498	Loral	69.6	22.9	132	423
486	379	**Dime Savings Bank**	69.5	–17.9	77	499
487	486	**BayBanks**	69.4	17.9	94	486
488	418	**General Signal**	69.4	–7.0	133	420
489	472	**Washington Water**	68.1	9.1	109	459
490	■	**Longview Fibre**	67.5	45.7	97	482
491	481	Sysco	67.2	11.4	109	457
492	485	Ball Corp	66.3	12.6	108	461
493	■	Nipsco Industries	65.0	D–P	209	319
494	■	Alexander & Alex	64.9	52.3	115	448
495	■	Prime Computer	64.8	38.0	146	402
496	487	**Cincinnati Bell**	64.4	10.5	162	377
497	■	**Black & Decker**	64.3	121.4	162	378
498	■	**Citizens Utilities**	63.9	10.3	94	485
499	■	**Intl Multifoods**	63.7	217.3	86	495
500	■	**Giant Food**	63.4	23.1	115	447

■ Not on 500 list in 1986. D–P: Deficit to profit.

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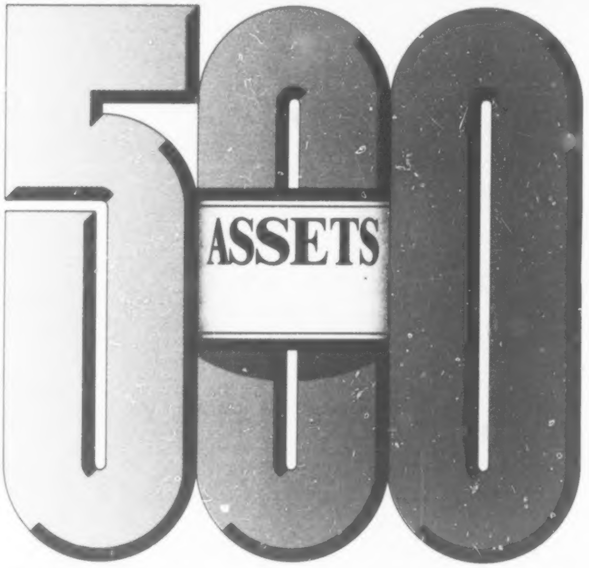
The Forbes Assets 500



Corporate acquisitions and divestitures totaled $163.7 billion in 1987, off modestly from the 1986 peak activity level.

HIGH SHARE prices in the first three quarters of 1987 helped American corporations stay out of the clutches of unfriendly acquirers. Chicago-based merger consultant W.T. Grimm & Co. reports that corporate acquisitions and divestitures amounted to a total $163.7 billion in 1987, a 5.4% decrease from 1986. But the October market collapse and the continued weakness of the dollar have brought about a resurgence of dealmaking.

Rank 1987	Rank 1986	Company	Assets ($mil)	Change over 1986 %
1	1	**Citicorp**	203,607	3.8
2	4	**American Express**	116,434	17.0
3	3	**Fedl Natl Mortgage**	103,459	3.0
4	5	**Chase Manhattan**	99,133	4.6
5	2	**BankAmerica**	92,833	–10.9

When the books closed, the Assets 500 list had collectively grown 6.4%, to more than $6 trillion. The largest balance sheet once again belongs to Citicorp. Despite capital-damaging foreign loan losses, Citicorp's assets grew 3.8%, to $204 billion.

But shrinkage was not uncommon. Thirty-eight banks, insurers and brokerages reported lower asset figures, in many cases after taking painful writedowns on their portfolios. At the same time the financial sector witnessed the conglomeration of regional banks. Shawmut (ranked 135th last year) and Hartford National (98th) merged to form Shawmut National, now ranked 52nd. Assets shot up 147% at Primerica, as Chairman Gerald Tsai replaced hard assets with paper ones, like Smith Barney.

Among nonfinancial companies showing substantial growth in assets are Chrysler, up 38% following the acquisition of American Motors, and Tele-Communications, up 209% through its purchase of Heritage Communications.

Companies were busy selling, too. W.T. Grimm says divestitures totaled $58.3 billion in 1987. Quantum Chemical, which ranked 445th under the name National Distillers & Chemical on last year's list, dropped off this year's after the sale of its wine and liquor business. USX, Williams Cos. and Allied-Signal have also restructured their way to smaller assets. Jim Walter, Borg-Warner and Burlington Industries departed the Forbes Assets 500 by going private.

Winners

The winners in asset growth

Rank 1987	Rank 1986	Company	Assets ($mil)	Change over 1986 %
236	343	**Tele-Communications**	6,199	208.9
111	261	**Primerica**	13,217	147.0
285	■	**USAir Group**	5,257	144.8
215	■	**LF Rothschild**	6,936	125.9
367	■	**Viacom**	3,937	92.9

■ Not on 500 list in 1986.

Losers

The laggards in asset growth

Rank 1987	Rank 1986	Company	Assets ($mil)	Change over 1986 %
442	282	**DCNY Corp**	3,029	–37.8
28	20	**First Boston**	36,148	–25.7
112	90	**PaineWebber Group**	12,956	–17.5
38	27	**Bear Stearns Cos**	30,262	–16.4
469	398	**National Bcshs Texas**	2,797	–16.3

Rank 1987	Rank 1986	Company	Assets ($mil)	Change over 1986 %
6	9	General Motors	87,241	20.5
7	14	Chemical New York	78,189	29.1
8	12	Sears, Roebuck	76,321	12.2
9	7	JP Morgan	75,414	–0.8
10	6	Salomon	74,747	–4.4
11	10	Exxon	74,042	6.6
12	8	Mfrs Hanover	73,348	–1.4
13	13	Security Pacific	72,838	16.3
14	11	Aetna Life & Cas	72,754	8.9
15	15	IBM	63,688	10.2
16	26	Ford Motor	61,090	16.7
17	16	Bankers Trust NY	56,521	0.2
18	18	Merrill Lynch	55,193	4.1
19	19	Cigna	53,495	7.0
20	17	First Interstate Bncp	50,927	–8.1
21	21	Travelers	50,165	8.3
22	24	First Chicago	44,209	12.9
23	22	Wells Fargo	44,183	–0.9
24	23	Mobil	41,140	4.4
25	28	ITT	39,983	11.7
26	30	General Electric	38,920	12.5
27	25	American Tel & Tel	38,426	–1.2
28	20	First Boston	36,148	–25.7
29	31	Chevron	34,465	–0.4
30	33	Bank of Boston	34,117	0.2
31	29	Texaco	33,962	–2.8
32	34	Finl Corp of America	33,864	–0.3
33	63	First RepublicBank	33,211	58.6
34	35	Continental Illinois	32,391	–1.3
35	52	PNC Financial	31,433	41.6
36	32	Mellon Bank	30,525	–11.5
37	39	HF Ahmanson	30,507	10.6
38	27	Bear Stearns Cos	30,262	–16.4
39	36	Morgan Stanley	29,663	1.6
40	51	Bank of New England	29,475	31.2
41	40	NCNB	28,915	5.3
42	■	First Fidelity Bncp	28,850	8.6
43	41	GTE	28,745	4.9
44	38	Gt Western Financial	28,631	3.6
45	61	American Intl Group	28,500	35.6
46	43	EI du Pont	28,209	5.5
47	50	American General	28,008	22.3
48	42	First Union	27,629	3.0
49	44	BellSouth	27,417	4.6
50	45	SunTrust Banks	27,188	3.9
51	37	First Bank System	26,850	–4.2
52	■	Shawmut National	26,477	6.9
53	49	Amoco	24,827	4.7
54	57	CalFed	24,583	14.1
55	■	Fleet/Norstar Finl	24,531	7.5
56	48	Irving Bank	23,534	–2.9
57	70	Xerox	23,462	17.8
58	68	Barnett Banks	23,451	15.9
59	59	NBD Bancorp	23,354	10.3
60	88	Transamerica	23,319	44.1
61	79	GlenFed	23,206	28.6
62	64	Bank of New York	23,065	11.4
63	78	Student Loan	22,864	25.4
64	55	Nynex	22,786	4.5
65	56	Atlantic Richfield	22,670	4.9
66	84	Republic New York	22,388	28.2
67	72	Loews	22,209	16.7
68	62	Pacific G&E	21,734	3.5
69	67	Southwestern Bell	21,500	5.9
70	66	Southern Company	21,499	5.9
71	60	Bell Atlantic	21,245	0.7
72	92	Sovran Financial	21,233	42.0
73	65	Pacific Telesis	21,056	3.6
74	58	Norwest	20,747	–3.7
75	73	Citizens & Southern	20,444	9.0
76	69	Commonwealth Ed	20,280	4.6
77	53	MCorp	20,228	–7.6
78	94	Chrysler	19,939	37.9
79	54	USX	19,557	–10.4
80	76	First Wachovia	19,342	3.5
81	82	Philip Morris Cos	19,145	8.5
82	74	US West	19,095	1.9
83	77	Meritor Financial	19,016	3.1
84	75	Ameritech	18,784	0.2
85	85	Banc One	18,730	7.8
86	80	Tenneco	18,503	2.7
87	87	Lincoln National	18,004	10.8
88	118	Midlantic	17,792	49.8
89	104	Household Intl	16,986	28.6
90	86	RJR Nabisco	16,861	–0.9
91	83	Occidental Petroleum	16,739	–4.2
92	152	MNC Financial	16,658	17.6
93	95	First Executive	16,403	14.0
94	96	Middle South Utils	15,292	6.7
95	105	Gt Am First Savings	15,242	16.7
96	100	Procter & Gamble	15,187	11.3
97	109	Gulf & Western	15,185	20.8
98	■	Goldome	15,153	3.5
99	103	Southern Calif Edison	15,077	8.1
100	93	CoreStates Financial	15,036	3.0
101	114	Gibraltar Financial	14,983	22.3
102	97	National City	14,912	5.7
103	106	Eastman Kodak	14,446	12.0
104	115	Dow Chemical	14,356	17.3
105	116	Home Federal S & L	14,109	16.8
106	102	American Electric	14,011	3.1
107	113	Texas Utilities	13,986	13.5
108	142	CrossLand Savings	13,775	36.4
109	153	US Bancorp	13,353	40.7
110	108	CSX	13,231	4.5
111	261	Primerica	13,217	147.0
112	90	PaineWebber Group	12,956	–17.5
113	127	Weyerhaeuser	12,914	15.6
114	117	Pinnacle West	12,908	7.2
115	110	Southeast Banking	12,842	3.0
116	111	Golden West Finl	12,836	3.2
117	121	Sun Company	12,580	7.7
118	130	Boeing	12,566	13.5
119	101	Continental Corp	12,151	–10.8
120	112	Phillips Petroleum	12,111	–2.3
121	150	Coast S&L Assn	11,952	22.9
122	129	United Technologies	11,929	7.5
123	124	First Federal Mich	11,883	5.4
124	99	First City Bancorp	11,781	–15.3
125	122	Santa Fe Southern	11,762	1.4
126	119	Textron	11,701	–0.1
127	162	KeyCorp	11,596	27.8
128	164	American Brands	11,314	24.9
129	134	Valley National	11,300	5.5
130	145	Centerior Energy	11,283	13.2
131	137	FPL Group	11,257	5.8
132	140	Columbia S&L Assn	11,235	9.9
133	132	Philadelphia Electric	11,210	10.2
134	143	Detroit Edison	11,158	11.6
135	138	K mart	11,106	5.0
136	136	Burlington Northern	10,948	2.8
137	176	Dime Savings Bank	10,944	30.8
138	131	Union Pacific	10,919	0.5
139	151	Imperial Corp of Am	10,875	13.3
140	139	Pub Svc Enterprise	10,858	2.6
141	160	Empire of America	10,856	19.4
142	126	JC Penney	10,842	–3.1
143	133	CityFed Financial	10,811	0.8
144	149	Kemper	10,744	10.4
145	154	Signet Banking	10,724	13.2
146	185	Capital Holding	10,386	31.1
147	107	AmeriTrust	10,334	–6.6
148	125	Allied-Signal	10,226	–9.3
149	167	USF&G	10,141	13.5
150	182	United Jersey Banks	10,139	26.4
151	144	Comerica	10,116	1.3
152	141	Unocal	10,062	–0.7
153	156	Unisys	9,958	5.8
154	174	Westinghouse	9,953	17.3
155	213	Alcoa	9,902	3.7
156	146	Boatmen's Bancshares	9,885	–0.4
157	148	Norfolk Southern	9,832	0.8
158	155	Crestar Financial	9,740	3.5
159	165	Houston Industries	9,728	7.8
160	166	Dominion Resources	9,657	8.0
161	158	Fireman's Fund	9,602	4.6
162	199	Provident Life & Acc	9,455	26.6
163	170	General Re	9,438	8.8
164	184	Digital Equipment	9,424	18.3
165	159	Consolidated Edison	9,384	–3.1
166	171	CMS Energy	9,355	8.4
167	161	Northern Trust	9,326	2.6
168	168	Long Island Lighting	9,324	5.4
169	180	Manufacturers Natl	9,077	11.9
170	163	Society	9,077	0.2

■ Not on 500 list in 1986

The Forbes Assets 500

Rank 1987	Rank 1986	Company	Assets ($mil)	Change over 1986 %
171	181	PepsiCo	9,023	12.4
172	191	Huntington Bcshs	8,836	14.5
173	177	ICH	8,715	4.7
174	189	International Paper	8,710	11.0
175	188	First of America Bank	8,680	10.3
176	183	Texas Air	8,635	7.9
177	202	Chubb	8,609	19.1
178	193	Rockwell Intl	8,600	12.7
179	186	McDonnell Douglas	8,536	7.9
180	■	Standard Fedl Bank	8,515	12.0
181	179	Duke Power	8,512	3.5
182	194	BayBanks	8,506	11.5
183	192	Michigan National	8,481	10.5
184	178	Monsanto	8,455	2.2
185	198	AMR	8,442	12.1
186	195	St Paul Cos	8,399	10.1
187	172	Goodyear	8,396	–2.5
188	211	Meridian Bancorp	8,389	23.3
189	175	Coca-Cola	8,356	–0.2
190	169	Allegis	8,226	–5.6
191	224	CenTrust Savings	8,187	32.8
192	200	Minn Mining & Mfg	8,031	9.3
193	190	Coastal Corp	7,989	2.7
194	187	Ohio Edison	7,907	0.1
195	197	Union Carbide	7,892	4.2
196	419	Southmark	7,781	17.2
197	173	Enron	7,712	–9.2
198	■	Anchor Savings Bank	7,674	5.1
199	203	Carolina Power & Lt	7,648	6.1
200	208	Baxter Travenol	7,638	8.1
201	205	Central & SouthWest	7,619	6.7
202	238	Dominion Bankshares	7,602	28.4
203	210	Florida Natl Banks	7,556	9.9
204	237	AmSouth Bancorp	7,527	26.7
205	209	UNUM Corp	7,370	6.0
206	242	Northeast Savings	7,368	26.0
207	233	Atlantic Financial	7,355	23.0
208	218	Hewlett-Packard	7,281	13.9
209	207	First Wisconsin	7,257	2.3
210	206	Pennsylvania P&L	7,195	0.8
211	227	Reliance Group	7,180	18.1
212	217	United Financial	7,147	10.5
213	239	Aon	7,084	20.0
214	234	McDonald's	6,982	17.0
215	204	State Street Boston	6,955	–3.3
216	■	LF Rothschild	6,936	125.9
217	267	Pfizer	6,923	34.1
218	201	Beneficial Corp	6,920	–4.8
219	221	Caterpillar	6,866	9.2
220	■	Consolidated Rail	6,796	0.3
221	196	Niagara Mohawk Pwr	6,794	–10.7
222	222	Riggs National	6,788	8.5
223	214	Mercantile Bancorp	6,766	2.7
224	225	Gulf States Utilities	6,677	9.2
225	216	Northeast Utilities	6,627	2.3
226	244	Safeco	6,615	14.4
227	219	United Telecom	6,558	2.8
228	241	Johnson & Johnson	6,546	11.4
229	350	Lomas & Nettleton	6,524	67.9
230	243	Anheuser-BuschCos	6,515	11.7
231	235	First American	6,494	9.1
232	249	Old Kent Financial	6,455	15.6
233	246	Home Group	6,440	13.4
234	236	Lockheed	6,301	6.0
235	226	General Public Utils	6,279	3.2
236	232	Federated Dept Stores	6,224	4.0
237	343	Tele-Communications	6,199	208.9
238	212	Hospital Corp	6,183	–9.0
239	223	May Dept Stores	6,181	–0.5
240	228	Champion Intl	6,103	1.3
241	264	Dayton Hudson	6,076	15.0
242	230	California First Bank	6,062	1.1
243	251	Western S&L	6,052	9.1
244	275	Integrated Resources	6,050	18.6
245	245	Talman Home Fedl	6,049	6.0
246	387	Commercial Federal	5,999	74.2
247	220	Union Electric	5,958	–5.8
248	274	South Trust	5,924	16.1
249	258	Illinois Power	5,923	9.0
250	252	Carteret Bancorp	5,906	6.6
251	271	Georgia-Pacific	5,870	14.8
252	215	TCF Financial	5,858	–10.1
253	278	Bancorp Hawaii	5,826	15.1
254	240	First Pennsylvania	5,804	–1.4
255	286	Ryder System	5,771	20.6
256	250	First Tennessee Natl	5,762	3.7
257	276	American Capital	5,753	12.8
258	253	PacifiCorp	5,726	3.7
259	259	Washington Mutual	5,708	5.8
260	254	LTV	5,706	3.8
261	273	Merck	5,680	11.3
262	256	First Maryland Bncp	5,644	2.9
263	229	Marshall & Ilsley	5,556	–7.4
264	255	Homestead Financial	5,513	0.4
265	260	Contel	5,513	2.4
266	285	United Banks of Colo	5,503	13.8
267	257	Florida Federal S&L	5,495	0.5
268	287	Kraft	5,487	15.5
269	293	Henley Group	5,483	16.7
270	272	Indiana National	5,459	6.9
271	248	Columbia Gas System	5,427	–2.9
272	324	Trustcorp	5,411	28.0
273	280	Delta Air Lines	5,403	9.1
274	303	Banco Popular PR	5,390	18.9
275	310	Kaufman & Broad	5,385	23.1
276	306	Berkshire Hathaway	5,380	21.1
276	265	MCI Communications	5,380	2.3
278	263	Capital Cities/ABC	5,378	3.6
279	298	Marriott	5,371	17.3
280	300	FinCorp Santa Barbara	5,347	17.3
281	294	Motorola	5,321	13.6
282	281	Amerada Hess	5,305	8.0
283	268	Honeywell	5,285	2.8
284	262	Commerce Bcshs	5,269	–0.5
285	364	Monarch Capital	5,261	38.6
286	■	USAir Group	5,257	144.8
287	297	Eli Lilly	5,255	14.3
288	247	Centerre Bancorp	5,242	–7.5
289	270	Greyhound	5,180	1.1
290	442	First Empire State	5,177	17.0
291	231	Texas American Bcsh	5,170	–13.6
292	269	First Kentucky Natl	5,132	0.1
293	338	Wal-Mart Stores	5,132	26.7
294	288	Deere	5,113	7.7
295	277	First Security	5,074	–0.1
296	266	Texas Eastern	5,073	–3.4
297	322	Equitable Bancorp	5,061	19.0
298	351	Sara Lee	5,042	29.8
299	302	General Dynamics	5,032	10.5
300	402	American Family	5,031	52.3
301	279	Pacific Enterprises	5,027	0.1
302	296	PPG Industries	4,988	7.5
303	305	Litton Industries	4,965	10.7
304	299	American Continental	4,950	5.2
305	284	First Florida Banks	4,927	1.7
306	291	South Carolina Natl	4,918	3.8
307	301	Emerson Electric	4,911	7.7
308	309	Benj Franklin S&L	4,900	11.5
309	319	Howard Savings Bank	4,881	13.7
310	292	IC Industries	4,871	3.4
311	339	James River Corp Va	4,861	20.3
312	320	Hibernia	4,847	13.0
313	317	Teledyne	4,816	11.9
314	314	Perpetual Savings	4,783	10.4
315	295	Bethlehem Steel	4,775	2.4
316	330	F[illegible]rs	4,732	13.1
317	331	America[illegible]s	4,608	10.4
318	363	Ar[illegible]	4,585	20.7
319	367	N'owestern [illegible]	[illegible]	21.1
320	312	First Natl Ci[illegible]	[illegible]	3.8
321	311	Baltimor[illegible]	[illegible],510	3.2
322	335	Pacific First Fi[illegible]	4,509	10.0
323	325	NY State E&G	4,487	6.2
324	346	Scott Paper	4,481	13.7
325	336	WR Grace	4,474	9.2
326	337	Kroger	4,460	9.4
327	326	SmithKline Beckman	4,446	5.3
328	352	First Virginia Banks	4,433	14.2
329	353	Old Stone	4,425	14.1
330	318	Time Inc	4,424	2.9
331	323	No States Power	4,401	3.6
332	308	First Alabama Bcshs	4,391	–0.1
333	356	Abbott Laboratories	4,386	13.5
334	347	TRW	4,378	12.0
335	328	AmeriFirst Bank	4,350	3.8

■ Not on 500 list in 1986.

The Forbes Assets 500

Rank 1987	Rank 1986	Company	Assets ($mil)	Change over 1986 %
336	290	Premier Bancorp	4,349	–8.3
337	377	Ethyl	4,326	20.4
338	368	Reynolds Metals	4,314	16.3
339	283	Commercial Credit	4,306	–11.5
340	327	Allegheny Power	4,304	2.5
341	321	Transco Energy	4,297	0.9
342	332	Central Fidelity Banks	4,287	3.6
343	399	Texas Instruments	4,256	27.6
344	360	Coca-Cola Enterpr	4,250	11.5
345	334	Torchmark	4,241	2.9
346	344	Pillsbury	4,235	6.4
347	315	NWA	4,219	–2.4
348	349	Merchants National	4,200	7.6
349	340	Duquesne Light	4,191	3.8
350	342	NCR	4,187	4.3
351	379	Borden	4,157	16.1
352	354	American Natl Ins	4,145	7.0
353	397	Bank South	4,136	23.2
354	378	Florida Progress	4,132	15.1
355	371	American Cyanamid	4,129	12.6
356	■	Seamen's	4,124	24.4
357	381	Raytheon	4,062	14.2
358	366	Ashland Oil	4,058	7.7
359	358	American Savings	4,053	5.7
360	386	Fifth Third Bancorp	4,051	16.0
361	329	Wickes Cos	4,039	–3.5
362	486	PHH Group	3,993	54.2
363	361	New England Electric	3,989	4.7
364	407	Branch Corp	3,984	21.4
365	307	AMAX	3,969	–9.8
366	359	Consol Natural Gas	3,947	3.2
367	376	First Hawaiian	3,943	9.2
368	■	Viacom	3,937	92.9
369	392	CBS	3,910	16.0
370	415	Warner Comm	3,897	20.9
371	362	Jefferson-Pilot	3,890	2.2
372	369	Kimberly-Clark	3,886	5.7
373	370	USLife	3,880	5.8
374	382	Horizon Bancorp	3,875	9.1
375	365	Central Bancshares	3,874	2.6
376	395	Walt Disney	3,832	13.8
377	341	Ralston Purina	3,832	–4.9
378	408	Citadel Holding	3,819	16.7
379	345	Nipsco Industries	3,817	–3.2
380	391	Cooper Industries	3,800	11.8
381	432	Triangle Industries	3,772	24.6
382	357	American Medical	3,765	–2.5
383	393	Trans World Airlines	3,753	11.4
384	373	First Commerce	3,744	2.6
385	410	HJ Heinz	3,733	14.2
386	374	American Stores	3,705	1.6
387	380	Western Capital Inv	3,607	1.2
388	414	San Diego G&E	3,601	11.6
389	431	Far West Financial	3,578	22.3
390	409	Sumitomo Bank Cal	3,576	9.3
391	438	Society for Savings	3,558	20.7
392	417	United Missouri Bcsh	3,550	10.8
393	406	Puget Sound Bancorp	3,543	7.8
394	■	Gt Northern Nekoosa	3,539	70.4
395	478	MCA	3,535	33.0
396	389	Moore Financial	3,519	3.2
397	396	Gannett	3,510	4.3
398	403	Farm & Home Savings	3,495	5.9
399	444	Hercules	3,492	19.8
400	421	City National	3,485	10.9
401	418	Farmers Group	3,462	8.3
402	348	Williams Cos	3,441	–12.0
403	384	Boise Cascade	3,375	–4.5
404	422	Union National	3,375	7.5
405	458	Waste Management	3,351	19.9
406	420	Potomac Electric	3,345	5.6
407	411	Deposit Guaranty	3,340	3.0
408	429	Mercantile Bkshs	3,329	9.0
409	477	Valley Federal S&L	3,325	24.9
410	401	National Medical	3,321	0.3
411	425	Dun & Bradstreet	3,317	6.4
412	439	Campbell Soup	3,309	12.5
413	394	Pennzoil	3,305	–1.9
414	412	Enserch	3,300	2.1
415	452	FW Woolworth	3,299	15.8
416	436	Humana	3,296	11.1
417	423	Rochester Community	3,272	4.3
418	400	Halliburton	3,271	–1.8
419	424	Utah Power & Light	3,269	4.6
420	372	CPC International	3,261	–10.7
421	413	Pennbancorp	3,228	–0.1
422	453	Colgate-Palmolive	3,228	13.4
423	390	Cullen/Frost Bankers	3,182	–6.7
424	435	Schering-Plough	3,180	5.9
425	■	Southwest Gas	3,179	23.0
426	■	Downey S&L Assn	3,177	28.8
427	■	Freeport-McMoRan	3,155	17.6
428	463	Natl Community Bk	3,153	14.7
429	■	Equimark	3,140	26.6
430	472	Great Lakes Bancorp	3,139	16.6
431	427	Dresser Industries	3,139	1.8
432	470	Northrop	3,124	15.7
433	441	Times Mirror	3,122	6.6
434	430	First Citizens	3,116	2.8
435	405	Sonat	3,115	–5.3
436	428	Cincinnati G&E	3,082	0.5
437	426	Kerr-McGee	3,071	–0.6
438	456	Northeast Bancorp	3,056	8.2
439	■	Comdisco	3,054	78.6
440	434	Panhandle Eastern	3,045	0.7
441	476	Upjohn	3,043	14.2
442	460	Wisconsin Energy	3,036	9.3
443	282	DCNY Corp	3,029	–37.8
444	433	Eaton	3,026	0.0
445	■	Baltimore Bancorp	3,021	24.6
446	404	Zions Bancorporation	3,021	–8.4
447	446	Centel	3,014	4.4
448	■	Fortune Financial	2,990	23.8
449	■	American S&L Fla	2,988	14.4
450	475	Firestone	2,936	9.9
451	443	Public Service Colo	2,934	0.5
452	■	ConAgra	2,928	41.0
453	464	Mead	2,917	7.2
454	■	San Francisco Fedl	2,912	24.1
455	■	Harcourt Brace	2,909	20.5
456	479	Dauphin Deposit	2,905	9.4
457	■	Independence Bancorp	2,903	18.3
458	462	Union Camp	2,897	5.3
459	459	Wilmington Trust	2,891	4.1
460	471	First Columbia Finl	2,872	11.0
461	469	Apple Bank	2,867	6.2
462	■	Masco	2,850	28.0
463	466	Geico	2,846	4.8
464	■	Temple-Inland	2,838	5.5
465	■	St Paul Bancorp	2,822	17.8
466	461	Public Service NM	2,815	2.1
467	465	Wang Laboratories	2,808	3.4
468	494	Dana	2,802	11.0
469	482	Old Republic Intl	2,798	6.4
470	398	National Bcshs Texas	2,797	–16.3
471	■	Martin Marietta	2,794	13.1
472	■	Federal Express	2,788	23.2
473	491	Armco	2,787	10.2
474	■	Squibb	2,782	15.5
475	447	Quaker Oats	2,779	–3.8
476	481	Air Prods & Chems	2,778	5.2
477	■	Greater NY Savings	2,776	20.7
478	448	Whitney Holding	2,775	–3.9
479	500	BanPonce	2,772	11.4
480	493	So N England Telcom	2,769	9.6
481	497	First Capital	2,767	10.3
482	487	Tribune	2,758	6.5
483	496	Manville	2,753	9.5
484	490	Gillette	2,731	7.5
485	■	Altus Bank	2,730	7.7
486	■	Combustion Eng	2,704	25.1
487	■	Boston Edison	2,703	13.0
488	489	Scana	2,702	4.9
489	468	Kansas City P&L	2,691	–0.4
490	■	Ohio Casualty	2,682	8.4
491	■	Kellogg	2,681	28.6
492	■	Union Planters	2,672	21.6
493	455	Colorado Natl Bkshs	2,671	–5.6
494	■	Corning Glass Works	2,659	12.6
495	■	Summit Bancorp	2,653	11.2
496	■	Valley Bancorp	2,653	19.2
497	492	Inland Steel Inds	2,651	4.9
498	467	Public Service NH	2,639	–2.5
499	485	Control Data	2,639	1.7
500	■	First Bncp of Ohio	2,638	6.5

■ Not on 500 list in 1986.

The Forbes Market Value 500

500
MARKET
VALUE

Despite the October crash, the combined market value of the 500 largest U.S. corporations fell just 0.6% last year.

AFTER ALL the fuss in October, the market value of America's largest companies at year-end 1987 was $1.8 trillion, just 0.6% below its aggregate value 12 months before.

Rank 1987	Rank 1986	Company	Market value ($mil)	Change over 1986 %
1	1	IBM	68,960	–5.2
2	2	Exxon	52,574	4.5
3	3	General Electric	39,843	1.6
4	4	American Tel & Tel	28,989	8.2
5	5	General Motors	24,625*	–2.8

Still, the October debacle had considerable impact in other ways. Some companies with excess cash rushed into the market to buy in their own shares at bargain prices. Exxon, for example, spent $2.6 billion for its buyback program. By the end of the year, hundreds of companies from Atlantic Richfield to Zayre had begun ambitious repurchase plans.

Citicorp demonstrated remarkable timing—good for Citicorp, bad for investors—in issuing 20 million shares one month before the crash. (That was followed by a 2-for-1 split in November, making the total offering 40 million.) This was the then-largest secondary offering in U.S. history. The largest initial public offering took place last year when the federal government sold Conrail to the public after Norfolk Southern withdrew its bid. Conrail's $1.9 billion capitalization places it 252nd.

IBM leads all U.S corporations in market capitalization for the sixth consecutive year, even though its market value fell 5.2%, to $69 billion. Among the top 500 companies, Salomon shows the biggest drop-off, a decline of 55.8%. Former Wall Street favorites Charming Shoppes and Petrie Stores failed to make this year's minimum $824 million market value. Also gone is First Boston, ranked 355th last year, as are troubled Subaru, Texas Air, Gap and Lilco. All in all, 64 of last year's companies are not found in this year's 500.

In Wall Street's endless search for the next Xerox or Polaroid, tiny Oracle Systems, a Belmont, Calif.-based software company, placed 487th among the top 500 U.S. companies by year-end 1987 market value. With a capitalization of $858 million and sales of $187 million, this firm had a 1987 price-to-sales ratio of 4.6. A heady PSR, indeed, even for a computer company.

Winners

The largest increase in market value

Rank 1987	Rank 1986	Company	Market value ($mil)	Change over 1986 %
185	■	Computer Associates	2,520	269.5
254	■	Compaq Computer	1,892	263.4
410	■	Bethlehem Steel	1,078	231.1
180	■	Reynolds Metals	2,566	191.5
487	■	Oracle Systems	858	187.0

■ Not on 500 list in 1986. *Includes Class E and H stock.

Losers

The largest decrease in market value

Rank 1987	Rank 1986	Company	Market value ($mil)	Change over 1986 %
177	71	Salomon	2,581	–55.8
497	285	Tyson Foods	826	–52.6
395	228	BankAmerica	1,124	–50.4
147	64	Limited	3,266	–45.5
370	231	Primerica	1,233	–45.2

Rank 1987	Rank 1986	Company	Market value ($mil)	Change over 1986 %
6	6	EI du Pont	20,868	3.5
7	9	Merck	20,816	23.2
8	8	Philip Morris Cos	20,202	18.2
9	15	Ford Motor	18,558	26.6
10	10	Amoco	17,777	6.5
11	7	BellSouth	17,335	–5.6
12	17	Digital Equipment	17,247	26.8
13	33	Dow Chemical	17,044	52.3
14	11	Mobil	16,094	–1.9
15	13	Eastman Kodak	15,880	2.5
16	34	Hewlett-Packard	14,770	37.4
17	20	Wal-Mart Stores	14,686	11.9
18	19	Minn Mining & Mfg	14,645	9.9
19	22	Procter & Gamble	14,451	12.3
20	16	Coca-Cola	14,196	–2.3
21	12	Chevron	13,556	–12.7
22	21	Nynex	12,946	–0.4
23	31	Johnson & Johnson	12,886	13.6
24	18	Bell Atlantic	12,876	–4.1
25	14	Sears, Roebuck	12,680	–15.3
26	35	Atlantic Richfield	12,260	15.1
27	27	Bristol-Myers	11,973	1.3
28	24	Ameritech	11,619	–7.8
29	23	GTE	11,516	–10.3
30	29	Pacific Telesis	11,372	–0.8
31	25	RJR Nabisco	11,131	–9.7
32	36	Abbott Laboratories	10,940	4.8
33	37	Eli Lilly	10,871	5.3
34	30	American Home Prods	10,565	–7.3
35	32	Southwestern Bell	10,328	–8.0
36	40	American Intl Group	9,806	–1.7
37	52	Anheuser-Busch Cos	9,779	39.2
38	26	American Express	9,626	–21.0
39	38	US West	9,488	–7.5
40	42	Texaco	9,046	4.1
41	55	PepsiCo	8,691	28.4
42	65	Waste Management	8,455	41.4
43	43	Dun & Bradstreet	8,322	4.0
44	46	McDonald's	8,310	7.9
45	61	Emerson Electric	7,951	30.7
46	78	USX	7,875	41.3
47	75	Walt Disney	7,839	39.0
48	39	Pfizer	7,669	–23.8
49	92	Santa Fe Southern	7,175	54.3
50	44	Westinghouse	7,141	–10.1
51	48	Southern Calif Edison	6,622	–9.9
52	51	Southern Company	6,610	–8.6
53	49	JP Morgan	6,530	–11.1
54	59	Kellogg	6,463	1.1
55	95	Motorola	6,432	40.8
56	72	Gannett	6,337	8.8
57	41	Pacific G&E	6,310	–29.3
58	116	Caterpillar	6,288	58.6
59	67	Squibb	6,285	6.5
60	56	Kraft	6,182	–7.4
61	66	Monsanto	6,150	3.5
62	47	ITT	6,045	–19.9
63	62	SmithKline Beckman	6,032	–0.3
64	81	JC Penney	6,012	11.2
65	69	K mart	5,952	1.7
66	50	Citicorp	5,890	–19.3
67	76	Tenneco	5,845	4.0
68	54	Commonwealth Ed	5,802	–15.5
69	57	Union Pacific	5,675	–13.2
70	68	Xerox	5,668	–3.3
71	45	Boeing	5,634	–29.0
72	73	Upjohn	5,612	–3.6
73	103	Capital Cities/ABC	5,587	29.2
74	107	Baxter Travenol	5,468	31.3
75	74	General Re	5,467	–4.2
76	70	Sun Company	5,442	–7.0
77	109	NCR	5,313	28.1
78	93	Schering-Plough	5,260	13.9
79	88	Weyerhaeuser	5,259	6.7
80	58	Rockwell Intl	5,231	–18.3
81	199	Apple Computer	5,215	105.2
82	96	Occidental Petroleum	5,208	15.0
83	60	Aetna Life & Cas	5,141	–19.0
84	85	HJ Heinz	5,127	–3.1
85	90	Loews	5,091	8.1
86	84	American Electric	5,080	–4.6
87	120	AMP	5,027	28.7
88	129	Unisys	5,017	35.9
89	83	Norfolk Southern	4,936	–7.4
90	79	Pub Svc Enterprise	4,903	–9.7
91	91	American Brands	4,899	4.9
92	82	Chrysler	4,885	–8.6
93	77	Consolidated Edison	4,757	–14.8
94	105	Time Inc	4,753	12.6
95	119	International Paper	4,709	19.9
96	118	Burlington Northern	4,672	18.9
97	106	Warner-Lambert	4,630	10.0
98	112	Times Mirror	4,612	12.7
99	99	CSX	4,527	0.9
100	87	Raytheon	4,510	–9.5
101	210	Intel	4,461	80.4
102	63	United Technologies	4,418	–26.4
103	86	Ralston Purina	4,406	–15.9
104	124	General Mills	4,392	15.5
105	151	Texas Instruments	4,383	45.1
106	80	May Dept Stores	4,377	–19.3
107	94	Duke Power	4,341	–5.2
108	53	Allied-Signal	4,236	–39.5
109	121	Gulf & Western	4,207	8.0
110	259	Food Lion	4,142	110.7
111	138	Browning-Ferris Inds	4,133	26.4
112	156	Alcoa	4,120	39.7
113	97	Texas Utilities	4,115	–8.5
114	89	American General	4,114	–12.7
115	193	Allegis	4,053	54.6
116	130	Kimberly-Clark	4,009	9.2
117	132	Toys "R" Us	4,002	11.8
118	108	Dominion Resources	3,972	–4.5
119	133	Sara Lee	3,867	8.1
120	111	FPL Group	3,722	–9.5
121	155	CBS	3,711	24.2
122	131	American Cyanamid	3,705	3.5
123	171	Marion Laboratories	3,673	30.0
124	101	PPG Industries	3,673	–15.6
125	152	Archer-Daniels	3,660	21.4
126	98	Marsh & McLennan	3,656	–18.6
127	135	Borden	3,646	5.6
128	104	Philadelphia Electric	3,642	–14.9
129	114	Georgia-Pacific	3,613	–9.0
130	128	Campbell Soup	3,608	–2.5
131	232	Tele-Communications	3,572	59.8
132	100	Travelers	3,564	–19.9
133	126	Marriott	3,564	–5.9
134	134	Teledyne	3,547	0.5
135	115	Houston Industries	3,530	–11.0
136	197	IC Industries	3,525	36.5
137	194	Automatic Data	3,493	34.3
138	173	Warner Comm	3,485	24.2
139	102	Cigna	3,435	–20.6
140	113	Goodyear	3,419	–15.9
141	142	Berkshire Hathaway	3,384	4.6
142	145	Quaker Oats	3,326	5.3
143	139	Genentech	3,307	1.1
144	147	Unocal	3,293	6.3
145	164	Champion Intl	3,287	13.5
146	170	Gillette	3,273	15.7
147	64	Limited	3,266	–45.5
148	137	CPC International	3,232	–1.2
149	186	Phillips Petroleum	3,197	19.2
150	229	Tribune	3,128	38.6
151	159	Ohio Edison	3,067	5.0
152	183	Consol Natural Gas	3,028	12.2
153	160	Pillsbury	3,007	3.0
154	166	Pacific Enterprises	2,958	2.4
155	122	Federated Dept Stores	2,947	–24.1
156	123	Tandy	2,944	–23.0
157	175	Pennzoil	2,929	5.5
158	172	Pitney Bowes	2,921	3.5
159	373	Microsoft	2,888	130.3
160	158	Melville	2,881	–1.6
161	127	Dow Jones	2,877	–23.8
162	168	Union Carbide	2,876	0.1
163	125	Masco	2,867	–24.5
164	207	TRW	2,842	14.2
165	141	Central & South West	2,797	–13.9
166	250	Cooper Industries	2,778	38.7
167	187	Security Pacific	2,776	3.5
168	188	Farmers Group	2,752	3.0
169	225	Genuine Parts	2,713	18.8
170	169	Colgate-Palmolive	2,693	–5.9

The Forbes Market Value 500

Rank 1987	Rank 1986	Company	Market value ($mil)	Change over 1986 %
171	149	Carolina Power & Lt	2,692	–13.0
172	279	MCI Comm	2,681	50.5
173	201	Student Loan	2,610	3.5
174	198	Halliburton	2,606	1.0
175	206	Union Camp	2,601	3.9
176	316	Tandem Computers	2,593	70.8
177	71	Salomon	2,581	–55.8
178	224	Scott Paper	2,577	12.8
179	208	Hospital Corp	2,566	3.2
180	■	Reynolds Metals	2,566	191.5
181	288	Gt Northern Nekoosa	2,550	48.3
182	161	New York Times	2,542	–12.7
183	244	PNC Financial	2,532	22.8
184	217	RR Donnelley	2,528	5.9
185	■	Computer Associates	2,520	269.5
186	163	MCA	2,509	–13.7
187	202	United Telecom	2,476	–1.5
188	180	Pennsylvania P&L	2,474	–9.0
189	144	Bankers Trust NY	2,453	–22.8
190	251	Washington Post	2,402	20.0
191	153	Fedl Natl Mortgage	2,401	–20.1
192	227	Pinnacle West	2,389	5.1
193	271	Newmont Mining	2,373	26.7
194	110	Dayton Hudson	2,370	–42.7
195	312	Deere	2,365	52.3
196	196	SunTrust Banks	2,364	–8.5
197	243	Banc One	2,360	13.4
198	178	Continental Corp	2,350	–14.2
199	190	Baltimore G&E	2,328	–12.6
200	177	McGraw-Hill	2,327	–15.7
201	148	Fort Howard	2,327	–24.9
202	165	McDonnell Douglas	2,304	–20.3
203	176	Hercules	2,293	–17.3
204	184	Honeywell	2,291	–15.1
205	117	Merrill Lynch	2,291	–42.0
206	157	Union Electric	2,285	–22.2
207	189	Knight-Ridder	2,282	–14.4
208	222	Chubb	2,269	–1.5
209	150	Centerior Energy	2,269	–26.2
210	179	Wells Fargo	2,269	–16.7
211	234	Contel	2,267	4.2
212	322	LIN Broadcasting	2,266	53.5
213	218	Transamerica	2,252	–5.1
214	214	PacifiCorp	2,239	–8.0
215	219	Ethyl	2,235	–5.6
216	253	Air Prods & Chems	2,228	11.7
217	239	Martin Marietta	2,222	4.7
218	200	FW Woolworth	2,222	–12.1
219	182	USF&G	2,214	–18.3
220	233	Hershey Foods	2,210	–0.5
221	192	Northeast Utilities	2,201	–16.5
222	211	Cray Research	2,176	–11.1
223	359	Quantum Chemical	2,156	65.1
224	136	Lockheed	2,154	–34.5
225	191	First Union	2,153	–19.0
226	273	St Paul Cos	2,130	14.4
227	291	Mead	2,127	24.4
228	216	Rohm & Haas	2,110	–12.3
229	213	Corning Glass Works	2,106	–13.8
230	■	Himont	2,102	NA
231	143	Federal Express	2,095	–35.2
232	195	Ryder System	2,082	–19.6
233	317	Dover	2,075	37.5
234	146	AMR	2,073	–34.2
235	154	Deluxe Check	2,073	–31.0
236	223	Potomac Electric	2,066	–10.0
237	162	General Dynamics	2,044	–29.7
238	257	Amerada Hess	2,042	3.5
239	248	WR Grace	2,019	–1.1
240	205	Textron	2,016	–19.7
241	249	Becton Dickinson	2,001	–0.4
242	332	Sovran Financial	1,996	40.2
243	236	Eaton	1,994	–7.5
244	252	Coca-Cola Enterpr	1,992	–0.2
245	265	ConAgra	1,977	4.0
246	378	Affiliated Pubs	1,969	58.9
247	215	Detroit Edison	1,963	–18.9
248	203	Kroger	1,945	–22.6
249	494	AMAX	1,935	115.3
250	174	James River Corp Va	1,928	–30.9
251	230	Allegheny Power	1,912	–15.1
252	■	Consolidated Rail	1,903	NA
253	241	Gt Western Financial	1,900	–9.4
254	■	Compaq Computer	1,892	263.4
255	255	Walgreen	1,891	–5.0
256	283	Morton Thiokol	1,883	7.4
257	272	Humana	1,880	0.9
258	270	Wang Laboratories	1,874	–0.1
259	278	Safeco	1,863	3.2
260	167	Chase Manhattan	1,858	–35.5
261	324	Dresser Industries	1,858	26.8
262	235	No States Power	1,853	–14.1
263	402	Amdahl	1,845	61.0
264	286	Boise Cascade	1,841	5.7
265	410	Ingersoll-Rand	1,836	64.2
266	264	Litton Industries	1,835	–3.9
267	282	Enron	1,833	4.5
268	269	Avon Products	1,833	–2.8
269	280	Rubbermaid	1,827	2.8
270	260	First Wachovia	1,816	–7.0
271	209	Henley Group	1,816	–26.7
272	■	McCaw Cellular Com	1,807	NA
273	220	Delta Air Lines	1,806	–22.7
274	263	Columbia Gas System	1,800	–6.5
275	281	Westvaco	1,796	1.7
276	267	Winn-Dixie Stores	1,794	–5.2
277	302	Geico	1,790	8.7
278	335	General Public Utils	1,784	25.4
279	212	First Interstate Bncp	1,780	–27.2
280	347	Kerr-McGee	1,749	28.6
281	297	Hilton Hotels	1,738	3.9
282	387	Freeport-McMoRan	1,726	41.5
283	276	Ashland Oil	1,722	–5.4
284	384	Homestake Mining	1,715	39.8
285	254	Maytag	1,711	–14.1
286	354	Illinois Tool Works	1,709	28.5
287	328	Bank of New England	1,703	17.4
288	331	Albertson's	1,693	17.9
289	299	Barnett Banks	1,691	2.1
290	247	Lincoln National	1,689	–17.7
291	185	Middle South Utils	1,688	–37.2
292	204	Whirlpool	1,688	–32.8
293	340	Intl Flavors & Frags	1,678	19.9
294	258	Florida Progress	1,672	–15.1
295	397	Parker-Hannifin	1,666	43.1
296	242	VF	1,665	–20.2
297	268	San Diego G&E	1,662	–12.1
298	405	Weis Markets	1,634	44.5
299	372	WW Grainger	1,628	29.5
300	237	HF Ahmanson	1,625	–24.0
301	262	Illinois Power	1,620	–15.9
302	■	Carnival Cruise Lines	1,617	NA
303	440	Raychem	1,607	55.2
304	295	Nordstrom	1,606	–5.0
305	306	Price Co	1,606	0.3
306	■	Baker Hughes	1,603	NA
307	307	Utah Power & Light	1,584	–0.8
308	400	H&R Block	1,570	36.0
309	238	Niagara Mohawk Pwr	1,547	–27.3
310	303	Centel	1,545	–4.5
311	401	NBD Bancorp	1,543	33.8
312	290	American Stores	1,537	–10.2
313	256	USG	1,504	–24.0
314	294	Torchmark	1,498	–11.5
315	284	Wisconsin Energy	1,498	–14.5
316	348	Clorox	1,497	10.7
317	■	Shawmut National	1,497	–14.1
318	336	Armstrong World Inds	1,491	5.1
319	245	Penn Central	1,490	–27.7
320	388	Rite Aid	1,488	22.2
321	379	UST	1,487	20.1
322	221	Fireman's Fund	1,487	–36.1
323	287	Aon	1,479	–14.8
324	293	Bank of Boston	1,467	–13.5
325	246	Polaroid	1,463	–29.0
326	479	Stone Container	1,462	57.7
327	289	NCNB	1,458	–14.9
328	456	USAir Group	1,457	47.4
329	432	Snap-on Tools	1,449	37.1
330	465	Macmillan	1,449	49.5
331	■	Phelps Dodge	1,446	156.5
332	350	Square D	1,445	7.6
333	274	Liz Claiborne	1,438	–22.3
334	■	Great A&P Tea	1,430	59.9
335	326	Citizens & Southern	1,407	–3.3

■ Not on 500 list in 1986. NA: Not available.

The Forbes Market Value 500

Rank 1987	Rank 1986	Company	Market value ($mil)	Change over 1986 %
336	301	So N England Telcom	1,397	–15.3
337	468	Intergraph	1,395	45.5
338	466	Wm Wrigley Jr	1,392	43.9
339	261	Household Intl	1,387	–28.4
340	311	Dana	1,387	–10.9
341	357	Vulcan Materials	1,367	3.8
342	337	Mercantile Stores	1,363	–3.4
343	■	Lotus Development	1,351	85.6
344	296	National Medical	1,351	–19.7
345	342	Temple-Inland	1,335	–4.0
346	277	Super Valu Stores	1,335	–26.1
347	305	Republic New York	1,329	–17.3
348	319	General Cinema	1,325	–12.0
349	339	CoreStates Financial	1,316	–6.1
350	321	Brunswick	1,316	–12.3
351	424	Nalco Chemical	1,297	20.6
352	451	Emhart	1,295	29.5
353	365	General Signal	1,291	1.7
354	462	Natl Semiconductor	1,290	32.8
355	343	Roadway Services	1,287	–7.2
356	376	Lubrizol	1,281	2.4
357	304	Morgan Stanley	1,274	–21.1
358	313	Capital Holding	1,274	–17.8
359	■	Midlantic	1,261	54.9
360	361	TECO Energy	1,261	–3.1
361	334	Tucson Electric	1,260	–11.5
362	■	Intl Minerals & Chem	1,254	73.6
363	314	New England Electric	1,253	–17.7
364	360	GAF	1,247	–4.4
365	457	IMS International	1,244	26.4
366	439	Anadarko Petroleum	1,242	19.6
367	330	First Bank System	1,241	–14.3
368	423	Medtronic	1,240	15.0
369	309	Oklahoma G&E	1,238	–21.2
370	231	Primerica	1,233	–45.2
371	409	Consolidated Papers	1,226	9.3
372	352	Sysco	1,224	–8.4
373	■	Premier Industrial	1,218	41.7
374	■	Asarco	1,212	152.8
375	383	Tambrands	1,207	–1.6
376	375	National City	1,198	–4.3
377	382	Reebok International	1,196	–3.2
378	275	Northrop	1,194	–34.7
379	318	Kemper	1,194	–20.9
380	■	Battle Mountain Gold	1,183	48.7
381	486	Community Psych	1,182	29.0
382	437	Interco	1,182	12.4
383	428	Coastal Corp	1,174	10.2
384	240	Chemical New York	1,173	–44.6
385	292	NY State E&G	1,163	–31.4
386	■	Sun Microsystems	1,153	53.3
387	323	Scana	1,148	–22.2
388	329	Texas Eastern	1,147	–20.8
389	398	FMC	1,144	–1.3
390	438	American Family	1,144	9.4
391	447	Combustion Eng	1,137	11.1
392	362	Brown-Forman	1,131	–12.8
393	391	Cincinnati G&E	1,131	–5.5
394	333	American Standard	1,130	–20.6
395	228	BankAmerica	1,124	–50.4
396	327	Panhandle Eastern	1,116	–23.3
397	421	Stanley Works	1,109	2.2
398	441	Willamette Inds	1,105	6.8
399	414	Commerce Clearing	1,105	0.6
400	472	Black & Decker	1,104	16.8
401	344	CMS Energy	1,100	–20.0
402	■	Sigma-Aldrich	1,096	18.2
403	■	Comcast	1,096	66.3
404	353	McKesson	1,094	–18.0
405	411	Norwest	1,094	–2.0
406	368	Alexander & Baldwin	1,089	–13.7
407	■	Trinova	1,088	52.7
408	■	Ogden	1,086	40.7
409	487	Fluor	1,084	18.9
410	■	Bethlehem Steel	1,078	231.1
411	■	Citizens Utilities	1,077	4.1
412	■	Safety-Kleen	1,077	49.3
413	497	Bowater	1,073	19.8
414	■	Valhi	1,071	NA
415	407	Navistar Intl	1,069	–5.0
416	310	First Chicago	1,068	–31.9
417	■	Louisiana Land	1,066	25.6
418	389	Sherwin-Williams	1,066	–12.5
419	458	Public Service Colo	1,062	8.1
420	325	NWA	1,059	–27.3
421	266	Mfrs Hanover	1,055	–44.4
422	403	Perkin-Elmer	1,054	–8.0
423	412	Service Corp Intl	1,047	–5.6
424	■	Giant Food	1,047	39.5
425	416	National Service	1,047	–4.6
426	500	Millipore	1,047	17.8
427	415	Arkla	1,043	–5.0
428	399	Consol Freightways	1,042	–10.1
429	346	Jefferson-Pilot	1,038	–23.8
430	381	Harris Corp	1,032	–16.5
431	395	Bausch & Lomb	1,029	–12.6
432	■	MNC Financial	1,029	–7.9
433	364	American Medical	1,026	–19.9
434	406	Louisiana-Pacific	1,025	–9.2
435	■	Media General	1,023	70.8
436	■	General Instrument	1,023	67.8
437	■	Paccar	1,022	22.0
438	385	Dreyfus	1,021	–16.7
439	455	BF Goodrich	1,018	3.0
440	446	Lucky Stores	1,018	–0.5
441	■	Inland Steel Inds	1,011	79.6
442	426	Puget Sound P&L	1,006	–6.3
443	481	Enserch	1,006	8.8
444	417	Prime Motor Inns	1,005	–8.2
445	425	Firestone	1,002	–6.7
446	■	Pioneer Hi-Bred Intl	1,001	4.5
447	445	Crown Cork & Seal	999	–2.7
448	431	CR Bard	994	–6.0
449	356	Portland General	980	–26.0
450	■	Armco	978	178.6
451	■	Jefferson Smurfit	976	33.3
452	430	DPL	975	–7.9
453	■	United Artists	968	33.7
454	338	Viacom	967	–31.1
455	366	Southwestern Pub Svc	967	–23.8
456	386	Greyhound	963	–21.3
457	464	Pall	962	–0.7
458	370	Mapco	961	–23.8
459	■	Norton	960	25.5
460	■	Alltel	956	11.4
461	■	United Jersey Banks	951	23.8
462	■	Great Lakes Chemical	939	73.8
463	429	Commercial Credit	938	–11.4
464	■	Alco Standard	938	9.6
465	■	Kelly Services	936	19.3
466	491	Hillenbrand Inds	936	3.3
467	■	Avery International	934	13.6
468	474	Molex	931	–1.0
469	■	Sonoco Products	930	11.7
470	460	Rouse	930	–5.0
471	422	Johnson Controls	929	–14.1
472	436	Sonat	929	–11.7
473	■	Home Depot	924	82.2
474	■	Olin	924	5.3
475	■	EG&G	922	19.0
476	420	Control Data	902	–17.2
477	■	Engelhard	898	17.5
478	■	Williams Cos	887	11.0
479	■	Circus Circus	886	31.4
480	■	Koppers	885	3.8
481	■	Cabot	880	5.5
482	■	Masco Industries	878	4.9
483	■	Progressive	877	1.0
484	490	Castle & Cook	876	–3.4
485	351	UNUM Corp	863	–35.8
486	■	Noxell	859	2.0
487	■	Oracle Systems	858	187.0
488	396	Bank of New York	852	–26.9
489	■	Timken	846	55.2
490	485	Avnet	845	–7.8
491	374	Bear Stearns Cos	844	–32.7
492	■	Nucor	840	30.4
493	■	United Cable TV	837	35.1
494	■	FlightSafety Intl	834	65.7
495	■	US Bancorp	829	21.1
496	■	Rollins Environmental	828	5.2
497	285	Tyson Foods	826	–52.6
498	■	Ball Corp	825	1.6
499	496	Duquesne Light	824	–8.1
500	■	Hubbell	824	6.5

■ Not on 500 list in 1986. NA: Not available.

The Forbes 500s–Jobs and Productivity

SALES
PROFITS
ASSETS
MARKET VALUE

Productivity gains continued for the largest corporations. Sales per employee rose 7.5%, and profits per employee increased 4.2%. Meanwhile, the median employee count was down 0.9% and assets per employee fell 1.6%.

THIS INDUSTRY-BY-INDUSTRY report ranks all 796 Forbes 500s corporations by profits per employee and by sales and assets per employee as well.

This year industry group medians are reported instead of averages. In the automotive industry, for example, Ford outdistances General Motors in profits per employee. Each of Ford's 350,300 employees accounts for more than $13,200 of profits, whereas each of GM's 813,000 employees earns the company $4,400. For the Forbes 500s companies in this industry, the median profit per employee is $7,500.

Most firms are grouped according to the first industry listed in the address tables, which begin on page 302. For example, AMAX, the only coal company to earn a 500s ranking, is in an expanded domestic oil, gas and coal energy group.

The biggest employers

Of the five largest U.S. corporate employers, Ford and General Motors sharply reduced their employee levels.

Rank 1987	Rank 1986	Company	Employees (000)	Change over 1986
1	1	General Motors	813.0	–7.2%
2	2	Sears, Robuck	493.2	3.7
3	3	IBM	396.4	–2.0
4	4	Ford Motor	350.3	–8.4
5	6	General Electric	330.5	1.5

Rank	Company	Per employee ($000) Profits	Sales	(rank)	Assets	(rank)	Employees (000)
AEROSPACE & DEFENSE							
1	**GenCorp**	33.5	114.0	(5)	78.0	(8)	14.2
2	**General Electric**	6.4	119.0	(3)	117.8	(1)	330.5
3	**Rockwell Intl**	5.7	100.6	(7)	72.5	(9)	118.7
4	**Loral**	5.4	96.4	(9)	114.4	(2)	12.9
5	**Allied-Signal**	4.7	88.0	(14)	81.0	(6)	126.3
6	**Colt Industries**	4.3	93.8	(10)	58.3	(16)	17.5
6	**Lockheed**	4.3	115.4	(4)	64.2	(14)	98.1
8	**General Dynamics**	4.2	88.7	(13)	47.8	(18)	105.4
9	**Harris Corp**	3.6	81.7	(18)	67.0	(12)	25.5
10	**Boeing**	3.5	112.8	(6)	92.3	(4)	136.1
11	**Martin Marietta**	3.3	73.8	(19)	39.9	(19)	70.0
12	**Honeywell**	3.2	85.1	(17)	67.3	(10)	78.5
13	**TRW**	3.1	87.2	(15)	56.0	(17)	78.2
13	**United Technologies**	3.1	89.5	(12)	62.2	(15)	191.8
15	**McDonnell Douglas**	2.9	120.6	(2)	78.3	(7)	109.0
16	**Litton Industries**	2.8	86.3	(16)	90.5	(5)	54.9
17	**Sundstrand**	2.3	90.4	(11)	98.0	(3)	15.1
18	**Northrop**	2.0	127.4	(1)	65.8	(13)	47.5
19	**Grumman**	0.0	99.1	(8)	67.2	(11)	33.6
	Industry medians	**3.5**	**93.8**		**67.3**		
AIR TRANSPORT							
1	**USAir Group**	6.5	99.6	(8)	174.5	(1)	30.1
2	**Allegis**	5.3	131.6	(4)	130.6	(3)	63.0
3	**Delta Air Lines**	4.4	120.8	(6)	102.7	(8)	52.6
4	**Federal Express**	3.7	76.1	(9)	60.3	(9)	46.3
5	**AMR**	3.3	120.6	(7)	141.4	(2)	59.7
6	**NWA**	3.1	153.2	(2)	125.7	(4)	33.6
7	**Trans World Airlines**	1.5	135.6	(3)	125.4	(5)	29.9
8	**Texas Air**	–6.8	122.8	(5)	125.1	(6)	69.0
9	**Pan Am**	–12.3	166.1	(1)	108.1	(7)	21.6
	Industry medians	**3.3**	**122.8**		**125.4**		
AUTOMOTIVE-AUTO PARTS							
1	**Snap-on Tools**	13.1	111.3	(4)	90.8	(3)	6.8
2	**Genuine Parts**	10.4	182.3	(1)	71.8	(7)	14.3
3	**PPG Industries**	10.2	140.8	(2)	135.5	(1)	36.8
4	**Goodyear**	6.7	86.4	(8)	73.2	(6)	114.7
5	**Dana**	3.9	111.2	(5)	75.2	(5)	37.3
6	**Johnson Controls**	3.6	104.3	(6)	64.2	(8)	26.9
7	**Masco Industries**	3.1	101.4	(7)	123.6	(2)	14.5
8	**Firestone**	2.0	73.7	(9)	54.1	(9)	54.3
9	**Cummins Engine**	0.6	115.5	(3)	84.3	(4)	24.0
	Industry medians	**3.9**	**111.2**		**75.2**		
AUTOMOTIVE-AUTOS & TRUCKS							
1	**Ford Motor**	13.2	208.8	(5)	174.4	(2)	350.3
2	**Paccar**	12.0	259.2	(2)	139.0	(4)	9.4
3	**Navistar Intl**	11.8	243.8	(3)	129.9	(5)	15.0
4	**Chrysler**	10.5	214.1	(4)	162.4	(3)	122.7

		Per employee ($000)					Employees
Rank	Company	Profits	Sales	(rank)	Assets	(rank)	(000)
5	Fleetwood Enterprises	4.6	138.1	(7)	50.2	(8)	10.0
6	General Motors	4.4	125.2	(8)	107.3	(6)	813.0
7	Mack Trucks	0.4	181.9	(6)	99.0	(7)	10.2
8	Subaru of America	–51.2	1655.1	(1)	629.1	(1)	1.1
	Industry medians	7.5	211.4		134.4		
BANKS-MULTINATIONAL							
1	JP Morgan & Co	5.5	451.8	(2)	4986.0	(1)	15.1
2	Bank of Boston	1.0	212.4	(9)	1697.3	(10)	20.1
3	Bankers Trust NY	0.1	487.3	(1)	4838.7	(2)	11.7
4	Citicorp	–12.8	308.3	(4)	2281.3	(8)	89.3
5	BankAmerica	–14.9	152.4	(11)	1450.9	(11)	64.0
6	Irving Bank	–18.8	210.3	(10)	2284.8	(7)	10.3
7	Chase Manhattan	–19.9	239.1	(8)	2206.2	(9)	44.9
8	Chemical New York	–32.8	254.3	(7)	3000.1	(5)	26.1
9	Mfrs Hanover	–38.4	261.0	(6)	2467.9	(6)	29.7
10	First Chicago	–41.8	310.7	(3)	3235.2	(4)	13.7
11	Continental Illinois	–63.8	291.9	(5)	3391.4	(3)	9.6
	Industry medians	–18.8	261.0		2467.9		
BANKS-THRIFT INSTITUTIONS							
1	Columbia S&L Assn	131.4	1354.2	(1)	12373.7	(1)	0.9
2	Golden West Finl	56.5	474.2	(12)	4778.7	(14)	2.7
3	Standard Fedl Bank	41.0	582.8	(4)	6143.4	(6)	1.4
4	Seamen's	40.7	801.0	(3)	8984.9	(3)	0.5
5	Citadel Holding	34.5	441.7	(14)	4966.8	(12)	0.8
6	CrossLand Savings FSB	32.7	343.6	(27)	4498.6	(19)	3.1
7	Downey S&L Assn	31.0	247.8	(50)	2963.7	(42)	1.1
8	Far West Financial	29.1	493.3	(10)	4770.4	(15)	0.8
9	Farm & Home Savings	27.5	419.1	(15)	4888.3	(13)	0.7
10	Coast S&L Assn	26.5	485.1	(11)	5551.3	(11)	2.2
11	St Paul Bancorp	26.1	315.2	(34)	3641.1	(26)	0.8
12	Homestead Financial	25.8	533.4	(7)	5760.6	(8)	1.0
13	Home Federal S&L	25.7	321.9	(33)	3612.2	(28)	3.9
14	Washington Mutual	25.5	330.4	(31)	3436.2	(32)	1.7
15	Society for Savings	24.6	302.5	(37)	2928.1	(45)	1.2
16	CalFed	24.5	365.2	(23)	3614.0	(27)	6.8
17	Gt Am First Savings	24.3	392.2	(19)	4214.1	(21)	3.6
18	San Francisco Federal	23.6	310.9	(35)	3425.7	(33)	0.9
19	Greater NY Savings	23.3	384.9	(21)	4697.0	(17)	0.6
20	Great Lakes Bancorp	22.4	338.0	(28)	3475.9	(31)	0.9
21	Imperial Corp of Am	22.0	469.4	(13)	4736.3	(16)	2.3
22	Apple Bank	21.5	284.9	(43)	3210.3	(36)	0.9
23	Pacific First Finl	21.4	354.7	(24)	3423.4	(34)	1.3
24	American Savings	20.4	348.8	(25)	3870.8	(22)	1.0
25	HF Ahmanson	20.3	269.2	(46)	3101.0	(38)	9.8
26	Perpetual Savings	19.9	308.8	(36)	3296.1	(35)	1.5
27	Commercial Federal	18.5	514.5	(8)	6146.8	(5)	1.0
28	Dime Savings Bank	18.3	243.0	(51)	2878.5	(47)	3.8
29	Fortune Financial	17.7	330.3	(32)	3775.8	(24)	0.8
30	GlenFed	17.5	265.4	(47)	2900.8	(46)	8.0
30	Gt Western Financial	17.5	331.0	(29)	2387.7	(54)	12.0
32	First Federal Mich	17.2	553.5	(6)	5581.3	(10)	2.1
33	Howard Savings Bank	15.9	193.8	(58)	2231.6	(55)	2.2
34	Valley Federal S&L	15.0	286.2	(42)	3022.3	(40)	1.1
35	Carteret Bancorp	14.9	296.7	(39)	2948.7	(44)	2.0
36	CenTrust Savings Bank	14.1	385.2	(20)	3767.7	(25)	2.2
36	Western S&L	14.1	264.5	(48)	2551.5	(51)	2.4
38	American Continental	12.6	416.7	(17)	2821.9	(48)	1.8
39	Rochester Community	11.4	222.6	(54)	2442.1	(53)	1.3
40	Benj Franklin S&L	9.5	299.7	(38)	3130.8	(37)	1.6
41	Anchor Savings Bank	7.1	193.8	(58)	2192.5	(56)	3.5
42	Old Stone	6.0	199.8	(56)	1990.4	(58)	2.2
43	Northeast Savings FA	5.9	344.2	(26)	4217.7	(20)	1.7
44	Talman Home Federal	5.8	235.2	(53)	2668.1	(50)	2.3
45	AmeriFirst Bank	5.0	186.7	(60)	1960.2	(59)	2.2
46	American S&L Fla	3.2	286.9	(41)	3502.6	(30)	0.9
46	Finl Cp Santa Barbara	3.2	557.4	(5)	6160.2	(4)	0.9
48	Atlantic Financial	2.5	377.2	(22)	3854.9	(23)	1.9
49	Empire of America	1.9	251.8	(49)	2731.1	(49)	4.0
50	CityFed Financial	1.8	182.5	(61)	1791.3	(61)	6.0
51	Altus Bank FSB	0.1	210.8	(55)	2031.4	(57)	1.3
51	American Capital	0.1	236.2	(52)	2519.8	(52)	2.3
51	Goldome	0.1	278.6	(44)	2963.7	(42)	5.1
51	Western Capital Inv	0.1	199.1	(57)	1924.8	(60)	1.9
55	First Columbia Finl	–17.8	401.7	(18)	4609.8	(18)	0.6
56	Florida Federal S&L	–18.9	272.9	(45)	3039.0	(39)	1.8
57	TCF Financial	–34.7	292.3	(40)	3004.3	(41)	2.0
58	Gibraltar Financial	–49.0	417.7	(16)	5609.6	(9)	2.7
59	Meritor Financial	–73.4	331.0	(29)	3521.6	(29)	5.4
60	Finl Corp of Amer	–80.0	505.1	(9)	5787.8	(7)	5.9
61	United Financial	–181.2	1033.0	(2)	10978.0	(2)	0.7
	Industry medians	17.5	330.4		3475.9		
BANKS-MID-ATLANTIC							
1	Wilmington Trust	26.0	170.7	(10)	1731.0	(13)	1.7
2	Baltimore Bancorp	23.5	260.8	(1)	3170.2	(2)	1.0
3	Dauphin Deposit	22.0	165.6	(13)	1833.7	(10)	1.6
4	Summit Bancorp	21.5	175.3	(8)	1898.0	(9)	1.4
5	CoreStates Financial	21.1	187.9	(6)	1950.2	(8)	7.7
6	Independence Bancorp	20.2	187.4	(7)	2187.4	(4)	1.3
7	MNC Financial	19.4	208.5	(4)	2173.6	(5)	7.7
8	Mercantile Bkshs	19.0	129.6	(26)	1375.5	(26)	2.4
9	Natl Community Bk	17.8	128.2	(27)	1626.1	(20)	1.9
10	PNC Financial	17.6	229.5	(3)	2693.9	(3)	11.7
11	United Jersey Banks	16.5	143.8	(22)	1632.2	(19)	6.2
12	Central Fidelity Bks	15.6	133.0	(25)	1409.9	(24)	3.0
12	Dominion Bankshares	15.6	164.1	(14)	1678.5	(16)	4.5
14	Sovran Financial	15.5	144.3	(20)	1517.3	(22)	14.0
15	Pennbancorp	15.3	143.4	(23)	1495.0	(23)	2.2
16	Horizon Bancorp	15.2	126.5	(28)	1327.1	(28)	2.9
16	Union National	15.2	147.9	(18)	1695.8	(14)	2.0
18	Midlantic	15.1	144.3	(20)	1663.1	(17)	10.7
19	First Virginia Banks	14.0	110.6	(29)	1098.6	(29)	4.0
20	Equitable Bancorp	13.5	157.7	(16)	1685.8	(15)	3.0

The Forbes 500s–Jobs and Productivity

		Per employee ($000)			Employees
Rank	Company	Profits	Sales (rank)	Assets (rank)	(000)
21	Meridian Bancorp	12.9	143.0 (24)	1358.0 (27)	6.2
22	First Maryland Bncp	11.3	147.8 (19)	1401.6 (25)	4.0
23	Crestar Financial	9.6	158.3 (15)	1656.4 (18)	5.9
24	First Fidelity Bncp	5.9	166.2 (12)	1986.7 (6)	14.5
25	Equimark	5.6	169.1 (11)	1951.5 (7)	1.6
26	Signet Banking	4.0	175.1 (9)	1813.7 (12)	5.9
27	Riggs National	0.5	233.4 (2)	3308.0 (1)	2.1
28	First Pennsylvania	–20.3	148.8 (17)	1609.4 (21)	3.6
29	Mellon Bank	–50.7	199.5 (5)	1833.3 (11)	16.7
	Industry medians	**15.3**	**158.3**	**1685.8**	
BANKS-NORTH CENTRAL					
1	Fifth Third Bancorp	25.1	159.8 (6)	1692.3 (10)	2.4
2	Old Kent Financial	16.0	135.7 (20)	1634.2 (13)	4.0
3	Banc One	15.8	147.8 (15)	1412.5 (21)	13.3
4	First Bncp Ohio	15.6	107.0 (28)	1215.3 (27)	2.2
5	First National Cinc	15.3	150.9 (14)	1668.6 (11)	2.7
5	Trustcorp	15.3	155.6 (10)	1627.2 (14)	3.3
7	Society	15.0	144.4 (17)	1494.9 (16)	6.1
8	Boatmen's Bancshares	14.9	153.6 (11)	1804.5 (5)	5.5
9	NBD Bancorp	13.8	167.4 (2)	1987.0 (2)	11.8
10	United Missouri Bcsh	13.5	119.9 (24)	1482.1 (17)	2.4
11	First of America Bank	12.8	125.7 (22)	1420.6 (20)	6.1
12	Comerica	12.0	159.0 (7)	1701.3 (9)	5.9
13	Marshall & Ilsley	11.9	114.7 (27)	1142.0 (28)	4.9
14	Michigan National	11.0	135.5 (21)	1265.8 (24)	6.7
15	National City	10.7	162.3 (5)	1648.7 (12)	9.0
16	Commerce Bcshs	10.3	115.7 (26)	1349.7 (23)	3.9
17	Valley Bancorp	9.5	116.2 (25)	1237.3 (26)	2.1
18	Indiana National	9.4	165.7 (3)	1902.0 (3)	2.9
19	Huntington Bshs	9.3	152.3 (12)	1717.7 (8)	5.1
20	Merchants National	6.4	144.9 (16)	1571.9 (15)	2.7
21	First Bank System	5.0	250.4 (1)	2709.6 (1)	9.9
22	Centerre Bancorp	4.2	137.6 (19)	1443.3 (19)	3.6
23	Manufacturers Natl	1.3	157.2 (9)	1782.7 (6)	5.1
24	AmeriTrust	–1.7	158.3 (8)	1751.8 (7)	5.9
25	Norwest	–2.0	151.2 (13)	1364.9 (22)	15.2
26	Mercantile Bancorp	–5.2	143.6 (18)	1450.1 (18)	4.7
27	First Wisconsin	–8.5	122.0 (23)	1255.9 (25)	5.8
28	Northern Trust	–12.8	163.9 (4)	1831.1 (4)	5.1
	Industry medians	**10.8**	**149.4**	**1599.6**	
BANKS-NORTHEAST					
1	Northeast Bancorp	18.6	172.9 (4)	1882.0 (4)	1.6
2	First Empire State	15.3	178.1 (3)	1969.2 (3)	2.6
3	State Street Boston	13.5	122.6 (10)	1126.9 (10)	6.2
4	BayBanks	12.3	137.0 (8)	1512.2 (7)	5.6
5	Fleet/Norstar Finl	10.7	146.9 (6)	1421.0 (8)	17.3
6	Bank of New York	10.6	218.9 (2)	2359.1 (2)	9.8
6	Shawmut National	10.6	156.0 (5)	1765.1 (5)	15.0
8	Republic New York	10.1	508.3 (1)	6835.9 (1)	3.3
9	KeyCorp	9.3	127.2 (9)	1352.0 (9)	8.6
10	Bank of New England	7.6	142.1 (7)	1593.2 (6)	18.5
	Industry medians	**10.6**	**151.4**	**1679.2**	
BANKS-SOUTH CENTRAL					
1	Hibernia	20.4	203.0 (1)	2122.0 (2)	2.3
2	Whitney Holding	19.6	166.1 (4)	2115.4 (3)	1.3
3	First Capital	13.6	125.3 (12)	1439.9 (11)	1.9
4	Deposit Guaranty	11.4	141.3 (10)	1485.7 (9)	2.2
5	First Commerce	8.2	144.0 (9)	1602.8 (6)	2.3
6	Cullen/Frost Bankers	1.0	145.9 (7)	1590.3 (8)	2.0
7	Premier Bancorp	–5.7	139.2 (11)	1359.5 (12)	3.2
8	MCorp	–23.7	162.7 (5)	1854.8 (4)	10.9
9	Texas American Bcsh	–26.2	170.3 (3)	1734.5 (5)	3.0
10	National Bcshs Texas	–33.8	145.9 (7)	1475.3 (10)	1.9
11	First RepublicBank	–53.7	198.0 (2)	2717.3 (1)	12.2
12	First City Bancorp	–55.0	157.5 (6)	1596.3 (7)	7.4
	Industry medians	**–2.4**	**151.7**	**1599.5**	
BANKS-SOUTHEAST					
1	SouthTrust	17.0	141.8 (5)	1662.2 (4)	3.6
2	First Alabama Bcshs	14.6	107.7 (21)	1139.9 (21)	3.9
3	First Union	14.3	132.8 (12)	1397.2 (11)	19.8
4	SunTrust Banks	14.2	128.8 (14)	1367.7 (14)	19.9
5	NCNB	13.7	201.4 (1)	2366.0 (1)	12.2
6	First Wachovia	13.5	137.6 (8)	1482.2 (9)	13.1
7	South Carolina Natl	13.4	123.8 (17)	1246.8 (20)	3.9
8	First American	13.3	156.4 (2)	1769.0 (2)	3.7
9	Central Bancshares	13.0	140.0 (6)	1507.3 (8)	2.6
10	First Florida Banks	12.9	115.9 (19)	1311.5 (18)	3.8
11	AmSouth Bancorp	12.8	135.7 (10)	1595.1 (5)	4.7
12	Citizens & Southern	11.9	139.5 (7)	1538.8 (7)	13.3
13	Branch Corp	11.6	124.5 (16)	1377.7 (12)	2.9
14	Barnett Banks	11.4	133.8 (11)	1372.5 (13)	17.1
15	Banco Popular PR	9.6	114.6 (20)	1351.8 (16)	4.0
16	Bank South	9.4	137.4 (9)	1436.2 (10)	2.9
17	First Tennessee Natl	7.5	128.0 (15)	1318.5 (17)	4.4
18	First Citizens Bcshs	7.0	81.1 (23)	866.3 (23)	3.6
19	Florida Natl Banks	6.8	142.6 (4)	1570.5 (6)	4.8
20	First Kentucky Natl	6.0	105.9 (22)	1061.5 (22)	4.8
21	BanPonce	5.6	119.5 (18)	1298.8 (19)	2.1
22	Southeast Banking	5.1	155.4 (3)	1714.1 (3)	7.5
22	Union Planters	5.1	130.9 (13)	1363.3 (15)	2.0
	Industry medians	**11.9**	**132.8**	**1377.7**	
BANKS-WESTERN					
1	City National	19.1	144.4 (9)	1629.8 (6)	2.1
2	Bancorp Hawaii	16.3	149.0 (6)	1761.8 (4)	3.3
3	First Hawaiian	16.1	151.0 (5)	1786.4 (3)	2.2
4	Sumitomo Bank Calif	12.3	182.5 (2)	2150.3 (1)	1.7
5	US Bancorp	12.0	139.1 (11)	1609.9 (7)	8.3
6	California First Bk	10.3	148.4 (7)	1550.1 (9)	3.9
7	Puget Sound Bancorp	8.0	152.9 (4)	1522.4 (10)	2.3

The Forbes 500s–Jobs and Productivity

		Per employee ($000)					Employees
Rank	Company	Profits	Sales	(rank)	Assets	(rank)	(000)
8	Moore Financial	6.7	127.1	(14)	1402.7	(13)	2.5
9	First Security	6.4	114.5	(15)	1205.4	(15)	4.2
10	Wells Fargo	2.4	216.7	(1)	2094.0	(2)	21.1
11	Security Pacific	0.4	177.1	(3)	1693.7	(5)	43.0
12	Colorado Natl Bkshs	0.2	105.0	(16)	957.8	(16)	2.8
12	United Banks of Colo	0.2	130.4	(13)	1310.3	(14)	4.2
14	Valley National	–5.5	134.0	(12)	1413.4	(11)	8.0
15	Zions Bancorporation	–7.4	147.0	(8)	1562.8	(8)	1.9
16	First Interstate Bncp	–15.3	140.1	(10)	1404.8	(12)	36.3
	Industry medians	6.6	145.7		1556.4		
BEVERAGES & TOBACCO-ALCOHOLIC BEVERAGES							
1	Brown-Forman	16.1	164.4	(2)	152.1	(2)	6.7
2	Anheuser-Busch Cos	14.8	198.2	(1)	156.3	(1)	41.7
3	Adolph Coors	4.9	137.0	(3)	147.7	(3)	9.9
	Industry medians	14.8	164.4		152.1		
BEVERAGES & TOBACCO-SOFT DRINKS							
1	Coca-Cola	40.3	337.1	(1)	367.8	(1)	22.7
2	General Cinema	5.8	96.5	(3)	140.6	(3)	14.1
3	Coca-Cola Enterprises	3.9	148.0	(2)	188.9	(2)	22.5
4	PepsiCo	2.7	52.3	(4)	41.1	(4)	219.5
	Industry medians	4.8	122.3		164.8		
BEVERAGES & TOBACCO-TOBACCO							
1	UST Inc	39.4	173.4	(2)	165.2	(2)	3.3
2	Philip Morris Cos	16.4	198.9	(1)	170.9	(1)	112.0
3	Universal	4.4	164.1	(3)	71.8	(3)	14.0
	Industry medians	16.4	173.4		165.2		
BUILDING-CEMENT & GYPSUM							
1	CalMat	24.5	189.2	(2)	208.2	(1)	3.2
2	Lafarge	11.9	201.9	(1)	174.3	(2)	6.1
	Industry medians	18.2	195.6		191.3		
BUILDING-COMMERCIAL							
1	Centex	5.7	302.3	(2)	226.3	(4)	4.6
2	Fluor	3.4	221.5	(3)	109.7	(5)	18.3
3	American Standard	3.3	87.0	(7)	61.3	(6)	39.1
4	Rouse	2.7	99.5	(6)	446.4	(1)	3.9
5	Morrison-Knudsen	–4.0	123.2	(5)	59.6	(7)	15.1
6	Turner	–6.9	861.6	(1)	303.2	(2)	3.2
7	Henley Group	–14.3	180.8	(4)	281.9	(3)	19.5
	Industry medians	2.7	180.8		226.3		
BUILDING-LUMBER							
1	Georgia-Pacific	11.3	212.4	(1)	144.9	(2)	40.5
2	Weyerhaeuser	10.3	204.0	(2)	298.6	(1)	43.3
3	Louisiana-Pacific	9.1	139.8	(3)	143.4	(3)	13.7
	Industry medians	10.3	204.0		144.9		
BUILDING-MISCELLANEOUS MATERIALS							
1	Vulcan Materials	20.1	159.4	(1)	160.3	(1)	5.8
2	Owens-Corning	11.7	153.8	(2)	84.6	(6)	18.8
3	USG	9.2	130.5	(4)	94.4	(5)	22.2
4	Masco	9.1	84.0	(7)	118.3	(3)	24.1
5	Manville	8.6	108.6	(5)	144.9	(2)	19.0

		Per employee ($000)					Employees
Rank	Company	Profits	Sales	(rank)	Assets	(rank)	(000)
6	Armstrong World Inds	6.2	98.0	(6)	66.4	(7)	24.1
7	Koppers	1.0	141.0	(3)	100.0	(4)	10.8
	Industry medians	9.1	130.5		100.0		
CHEMICALS-DIVERSIFIED							
1	Aristech Chemical	40.7	536.1	(1)	321.6	(1)	1.7
2	Hercules	34.0	111.6	(12)	144.7	(9)	24.1
3	Dow Chemical	23.9	256.3	(2)	275.0	(2)	52.2
4	Quantum Chemical	20.5	208.7	(4)	209.8	(3)	12.3
5	Rohm & Haas	16.3	183.6	(5)	162.8	(7)	12.0
6	EI du Pont de Nemours	12.7	214.8	(3)	200.5	(4)	140.7
7	Monsanto	8.6	150.6	(7)	166.7	(6)	50.7
8	American Cyanamid	8.0	121.2	(11)	120.2	(11)	34.4
9	FMC	7.7	126.2	(10)	104.3	(12)	24.9
10	BF Goodrich	6.6	181.5	(6)	162.3	(8)	11.9
11	Olin	5.7	141.4	(9)	123.4	(10)	13.7
12	Union Carbide	5.0	148.0	(8)	169.0	(5)	46.7
	Industry medians	10.6	166.1		164.8		
CHEMICALS-SPECIALIZED							
1	Georgia Gulf	91.4	704.6	(1)	307.4	(4)	1.0
2	Himont	85.8	456.6	(2)	629.0	(2)	2.8
3	Freeport-McMoRan	65.8	400.3	(3)	834.0	(1)	3.8
4	Intl Flavors & Frags	27.0	188.3	(9)	220.8	(9)	4.0
5	Great Lakes Chemical	24.1	208.0	(7)	250.9	(7)	2.3
6	GAF	22.5	188.4	(8)	292.1	(5)	4.4
7	Ethyl	18.9	251.6	(4)	422.0	(3)	10.3
8	Lubrizol	16.9	212.5	(6)	195.3	(10)	4.8
9	Nalco Chemical	16.1	169.2	(11)	150.1	(13)	5.0
10	Sigma-Aldrich	14.8	107.7	(15)	94.3	(16)	2.8
11	Air Prods & Chems	14.5	176.4	(10)	224.0	(8)	12.4
12	Morton Thiokol	8.1	115.5	(13)	95.7	(15)	18.8
13	Intl Minerals & Chem	6.9	134.4	(12)	177.9	(11)	13.4
14	Cabot	6.3	250.3	(5)	276.0	(6)	5.9
15	WR Grace	4.0	112.9	(14)	111.8	(14)	40.0
16	Valhi	0.7	87.3	(16)	152.1	(12)	15.8
	Industry medians	16.5	188.4		222.4		
CLOTHING-APPAREL & TEXTILES							
1	Reebok International	127.1	1068.6	(1)	668.0	(1)	1.3
2	Liz Claiborne	35.8	329.2	(2)	150.7	(2)	3.2
3	VF	3.6	52.0	(5)	38.9	(5)	49.5
4	Interco	3.0	68.8	(4)	43.5	(4)	46.5
5	Springs Industries	2.4	71.3	(3)	46.5	(3)	23.3
	Industry medians	3.6	71.3		46.5		
COMMUNICATIONS-BROADCASTING & SERVICES							
1	CBS	65.6	400.3	(1)	566.7	(2)	6.9
2	LIN Broadcasting	64.8	175.4	(4)	397.4	(4)	1.4
3	Capital Cities/ABC	13.9	221.9	(2)	268.8	(7)	20.0
4	IMS International	12.0	86.5	(8)	90.1	(8)	5.0
5	Tele-Communications	2.4	93.7	(7)	410.5	(3)	15.1
6	United Cable TV	–3.1	103.0	(6)	272.1	(6)	2.3
7	Comcast	–3.4	110.6	(5)	374.5	(5)	2.8
8	Viacom	–26.0	212.8	(3)	828.8	(1)	4.8
	Industry medians	7.2	143.0		385.9		

The Forbes 500s–Jobs and Productivity

Rank	Company	Per employee ($000) Profits	Sales	(rank)	Assets	(rank)	Employees (000)
COMMUNICATIONS-PUBLISHING							
1	**Affiliated Pubs**	70.2	187.7	(3)	203.8	(3)	2.6
2	**Time Inc**	46.3	776.5	(1)	819.3	(1)	5.4
3	**Washington Post**	29.2	205.5	(2)	186.6	(5)	6.4
4	**Dow Jones**	25.2	163.4	(5)	241.6	(2)	8.0
5	**New York Times**	15.6	164.8	(4)	167.0	(6)	10.3
6	**McGraw-Hill**	10.6	112.5	(8)	105.2	(11)	15.6
7	**Deluxe Check**	10.3	65.7	(16)	60.1	(16)	14.4
8	**RR Donnelley & Sons**	10.2	116.6	(7)	98.0	(13)	21.3
9	**Gannett**	9.8	94.8	(12)	108.0	(10)	32.5
10	**Times Mirror**	9.5	110.3	(9)	111.8	(8)	27.9
11	**Tribune**	8.4	128.6	(6)	164.2	(7)	16.8
12	**Commerce Clearing**	8.2	85.5	(15)	80.9	(15)	6.5
13	**Macmillan**	7.9	106.2	(10)	103.9	(12)	9.0
14	**Dun & Bradstreet**	6.7	56.9	(17)	56.2	(17)	59.0
15	**Knight-Ridder**	6.5	86.4	(14)	82.7	(14)	24.0
16	**Harcourt Brace**	5.8	104.7	(11)	200.6	(4)	14.5
17	**Media General**	5.7	94.7	(13)	109.8	(9)	7.6
	Industry medians	**9.8**	**110.3**		**109.8**		
CONGLOMERATES							
1	American Brands	12.4	143.5	(4)	269.3	(3)	42.0
2	Berkshire Hathaway	12.3	123.0	(5)	283.2	(2)	19.0
3	Minn Mining & Mfg	11.2	114.8	(7)	97.8	(9)	82.1
4	ITT	8.9	160.7	(2)	329.1	(1)	121.5
5	Teledyne	8.5	96.1	(11)	108.0	(8)	44.6
6	IC Industries	7.7	122.5	(6)	148.2	(6)	32.9
7	Dover	6.5	92.9	(12)	67.4	(11)	17.1
8	Raytheon	5.9	101.1	(10)	53.6	(14)	75.8
9	Alco Standard	5.0	209.3	(1)	74.7	(10)	17.6
10	Textron	4.3	109.0	(9)	176.0	(5)	66.5
11	Emhart	3.3	76.1	(13)	63.0	(12)	32.2
12	Penn Central	1.8	71.1	(14)	124.6	(7)	20.0
13	Amfac	0.3	112.6	(8)	55.3	(13)	19.5
14	Tenneco	–2.1	144.3	(3)	180.5	(4)	102.5
	Industry medians	6.2	113.7		116.3		
CONSUMER-APPLIANCES							
1	**Maytag**	12.1	151.0	(1)	67.6	(4)	12.6
2	**Whirlpool**	5.9	136.2	(2)	78.8	(2)	30.7
3	**Black & Decker**	3.1	97.5	(3)	80.3	(1)	20.7
4	**Chicago Pacific**	1.7	67.3	(4)	71.2	(3)	21.0
5	**Zenith Electronics**	–0.5	65.6	(5)	38.1	(5)	36.0
	Industry medians	**3.1**	**97.5**		**71.2**		
CONSUMER-HOME FURNISHINGS							
1	Rubbermaid	12.2	146.5	(1)	103.4	(1)	6.9
2	Premark Intl	3.2	98.3	(2)	70.9	(2)	22.4
3	JP Stevens	2.5	70.8	(3)	40.7	(4)	23.1
4	West Point-Pepperell	2.4	55.2	(6)	45.6	(3)	31.9
5	Amoskeag	0.0	60.2	(4)	40.3	(5)	23.9
6	Fieldcrest Cannon	–0.2	60.1	(5)	37.8	(6)	23.3
	Industry medians	2.5	65.5		43.2		

Rank	Company	Per employee ($000) Profits	Sales	(rank)	Assets	(rank)	Employees (000)
CONSUMER-HOUSEHOLD & PERSONAL PRODUCTS							
1	**Clorox**	25.2	246.6	(1)	202.7	(2)	4.8
2	**Noxell**	21.8	244.7	(2)	147.2	(5)	2.0
3	**Tambrands**	16.3	114.7	(7)	86.9	(10)	4.7
4	**Johnson & Johnson**	11.4	103.2	(8)	84.3	(12)	77.7
5	**Scott Paper**	9.3	163.9	(4)	178.2	(3)	25.2
6	**Kimberly-Clark**	8.8	132.3	(6)	105.2	(7)	36.9
7	**Hillenbrand Inds**	8.1	102.1	(9)	93.0	(8)	7.1
8	**Gillette**	7.4	101.8	(10)	87.8	(9)	31.1
9	**Service Corp Intl**	7.1	60.6	(13)	119.8	(6)	8.7
10	**Procter & Gamble**	6.5	242.3	(3)	205.6	(1)	73.9
11	**Avon Products**	4.6	79.3	(12)	73.4	(13)	34.9
12	**Colgate-Palmolive**	1.4	150.0	(5)	85.7	(11)	37.7
13	**Greyhound**	1.1	84.2	(11)	174.4	(4)	29.7
	Industry medians	**8.1**	**114.7**		**105.2**		
ELECTRIC UTILITIES-NORTH CENTRAL							
1	Kansas Gas & Elec	76.4	401.7	(1)	2048.5	(1)	1.3
2	Illinois Power	62.9	264.8	(7)	1286.2	(2)	4.6
3	Commonwealth Ed	60.6	316.4	(3)	1131.1	(4)	17.9
4	Ohio Edison	56.3	242.7	(13)	1078.4	(5)	7.3
5	Detroit Edison	50.0	257.5	(10)	1005.8	(6)	11.1
6	Union Electric	45.2	263.7	(8)	807.3	(11)	7.4
7	Centerior Energy	42.9	213.8	(17)	1240.0	(3)	9.1
8	Ipalco Enterprises	39.2	242.8	(12)	761.8	(12)	2.3
9	Kansas City P&L	37.3	253.1	(11)	966.4	(7)	2.8
10	Public Service Ind	35.4	261.2	(9)	538.6	(19)	4.1
11	Minnesota Power	34.6	210.4	(18)	697.2	(14)	2.0
12	Duquesne Light	34.0	199.3	(20)	940.6	(8)	4.5
13	DPL	33.1	346.8	(2)	832.0	(10)	2.7
14	Wisconsin Energy	27.6	222.5	(14)	494.9	(20)	6.1
15	Central Ill Pub Svc	26.0	218.5	(15)	616.3	(16)	2.7
16	No States Power	25.2	217.4	(16)	540.4	(18)	8.1
17	Cincinnati G&E	25.0	298.3	(4)	677.4	(15)	4.6
18	American Electric	21.7	206.8	(19)	605.2	(17)	23.2
19	CMS Energy	17.8	267.2	(5)	892.5	(9)	10.5
20	Nipsco Industries	12.0	267.1	(6)	702.4	(13)	5.4
	Industry medians	35.0	255.3		819.6		
ELECTRIC UTILITIES-NORTHEAST							
1	**United Illuminating**	59.9	313.0	(3)	1189.6	(2)	1.6
2	**Philadelphia Elec**	48.6	284.8	(7)	1003.5	(5)	11.2
3	**Long Island Lighting**	42.8	329.0	(2)	1480.2	(1)	6.3
4	**Pub Svc Enterprise**	38.4	310.4	(4)	800.2	(7)	13.6
5	**Potomac Electric**	38.0	243.2	(13)	610.6	(14)	5.5
6	**Pennsylvania P&L**	36.4	251.1	(11)	864.7	(6)	8.3
7	**Allegheny Power**	35.5	339.9	(1)	738.4	(9)	5.8
8	**Atlantic Energy**	34.2	300.4	(5)	694.8	(11)	2.2
9	**Baltimore G&E**	34.1	205.6	(17)	512.5	(16)	8.8
10	**New England Electric**	32.5	278.8	(8)	767.9	(8)	5.2
11	**Delmarva Power & Lt**	30.6	273.4	(9)	690.6	(12)	2.6
12	**Consolidated Edison**	26.9	248.7	(12)	458.2	(17)	20.5
13	**Northeast Utilities**	24.7	223.9	(15)	713.1	(10)	9.3

The Forbes 500s–Jobs and Productivity

		Per employee ($000)					Employees
Rank	Company	Profits	Sales	(rank)	Assets	(rank)	(000)
14	Boston Edison	21.8	263.6	(10)	603.3	(15)	4.5
15	General Public Utils	18.7	192.9	(18)	453.2	(18)	13.9
16	NY State E&G	11.7	289.1	(6)	1005.9	(4)	4.5
17	Niagara Mohawk Pwr	5.2	236.3	(14)	612.1	(13)	11.1
18	Public Service NH	–33.3	210.0	(16)	1009.3	(3)	2.6
	Industry medians	**33.3**	**268.5**		**725.8**		
ELECTRIC UTILITIES-SOUTH CENTRAL							
1	Gulf States Utils	50.0	297.0	(3)	1384.4	(1)	4.8
2	Southwestern Pub Svc	47.0	350.3	(1)	740.6	(6)	2.2
3	Texas Utilities	41.2	247.3	(7)	847.3	(3)	16.5
4	Central & So West	41.1	269.2	(4)	842.1	(4)	9.0
5	Houston Industries	37.1	309.5	(2)	829.9	(5)	11.7
6	Middle South Utils	31.4	252.4	(6)	1117.1	(2)	13.7
7	Oklahoma G&E	28.2	263.2	(5)	607.0	(7)	4.0
	Industry medians	**41.1**	**269.2**		**842.1**		
ELECTRIC UTILITIES-SOUTHEAST							
1	Carolina Power & Lt	36.4	220.6	(6)	810.4	(1)	9.4
2	Kentucky Utilities	34.9	262.5	(3)	622.0	(5)	2.1
3	Scana	32.3	279.6	(2)	676.9	(3)	4.0
4	Dominion Resources	30.9	233.4	(5)	693.2	(2)	13.9
5	TECO Energy	24.7	216.9	(8)	507.4	(8)	4.5
6	Duke Power	24.5	181.5	(9)	416.9	(10)	20.4
7	Florida Progress	23.3	242.5	(4)	511.8	(7)	8.1
8	FPL Group	20.8	282.6	(1)	581.8	(6)	19.4
9	Louisville G&E	19.1	158.4	(10)	417.7	(9)	4.0
10	Southern Company	17.4	220.3	(7)	675.5	(4)	31.8
	Industry medians	**24.6**	**227.0**		**601.9**		
ELECTRIC UTILITIES-WESTERN							
1	Tucson Electric	118.0	441.8	(1)	1920.8	(1)	1.1
2	Puget Sound P&L	50.0	302.6	(4)	1017.3	(3)	2.4
3	Washington Water	48.1	281.6	(5)	973.7	(4)	1.4
4	So Calif Edison	41.6	317.2	(3)	870.6	(5)	17.3
5	San Diego G&E	38.0	404.0	(2)	763.9	(8)	4.7
6	Utah Power & Light	27.0	183.1	(11)	609.0	(10)	5.4
7	Public Service NM	25.4	183.9	(10)	750.7	(9)	3.8
8	Portland General	25.2	246.4	(8)	824.5	(6)	3.1
9	PacifiCorp	23.6	191.8	(9)	507.8	(11)	11.3
10	Pinnacle West	22.6	162.3	(12)	1086.9	(2)	11.9
11	Public Service Colo	22.1	255.4	(6)	452.1	(12)	6.5
12	Pacific G&E	21.1	254.4	(7)	769.3	(7)	28.3
	Industry medians	**26.2**	**254.9**		**796.9**		
ELECTRICAL EQUIPMENT							
1	WW Grainger	15.3	223.2	(1)	140.6	(1)	5.9
2	Hubbell	11.6	107.5	(2)	86.7	(5)	5.4
3	Raychem	9.1	102.5	(3)	105.1	(2)	9.9
4	Emerson Electric	7.0	92.0	(5)	71.5	(6)	68.7
5	Westinghouse	6.6	94.9	(4)	88.5	(4)	112.5
6	Square D	5.4	73.5	(7)	59.1	(7)	20.2
7	Cooper Industries	4.2	86.0	(6)	91.1	(3)	41.7
8	National Service	4.1	69.5	(8)	39.7	(8)	19.4
	Industry medians	**6.8**	**93.5**		**87.6**		

		Per employee ($000)					Employees
Rank	Company	Profits	Sales	(rank)	Assets	(rank)	(000)
ELECTRONICS-COMPUTERS							
1	Apple Computer	44.1	478.5	(1)	255.3	(2)	6.4
2	Compaq Computer	44.0	394.9	(2)	290.7	(1)	3.1
3	Cray Research	35.4	165.5	(6)	217.2	(3)	4.2
4	Amdahl	19.1	202.0	(4)	202.4	(4)	7.5
5	Tandem Computers	16.1	169.7	(5)	166.5	(6)	6.4
6	Sun Microsystems	14.9	235.2	(3)	197.9	(5)	3.2
7	IBM	13.3	136.8	(7)	160.7	(7)	396.4
8	Digital Equipment	12.5	101.3	(12)	91.8	(11)	102.6
9	Intergraph	11.6	106.8	(9)	117.3	(9)	6.0
10	Seagate Technology	9.3	86.4	(16)	79.5	(14)	12.5
11	Hewlett-Packard	8.6	104.2	(10)	88.8	(13)	82.0
12	Prime Computer	7.4	110.2	(8)	153.0	(8)	8.7
13	NCR	6.8	91.0	(15)	67.5	(16)	62.0
14	Unisys	6.1	101.8	(11)	104.4	(10)	95.4
15	Wang Laboratories	3.1	98.9	(13)	91.2	(12)	30.8
16	Control Data	0.7	96.2	(14)	75.4	(15)	35.0
	Industry medians	**12.1**	**108.5**		**135.2**		
ELECTRONICS-EQUIPMENT							
1	Premier Industrial	15.1	131.6	(1)	90.2	(5)	3.7
2	AMP	11.4	105.8	(2)	95.1	(4)	21.9
3	Molex	10.7	48.2	(12)	99.4	(3)	4.7
4	Corning Glass Works	7.2	79.5	(6)	101.5	(1)	26.2
5	Pitney Bowes	6.8	76.8	(7)	83.0	(7)	29.3
6	Eaton	5.6	88.1	(4)	85.0	(6)	35.6
7	General Signal	3.5	81.6	(5)	71.1	(8)	19.7
8	Motorola	3.2	69.8	(9)	55.4	(10)	96.1
9	EG&G	2.4	54.3	(11)	22.7	(12)	22.8
10	Tektronix	1.4	76.4	(8)	53.4	(11)	18.2
11	Perkin-Elmer	–0.7	96.0	(3)	101.0	(2)	14.4
12	General Instrument	–2.4	60.0	(10)	57.7	(9)	18.4
	Industry medians	**4.5**	**78.2**		**84.0**		
ELECTRONICS-SEMICONDUCTORS							
1	Intel	9.4	102.0	(2)	138.9	(1)	18.7
2	Avnet	4.0	180.6	(1)	118.3	(2)	9.3
3	Texas Instruments	3.3	72.1	(3)	54.8	(4)	77.6
4	Natl Semiconductor	0.0	68.9	(4)	59.5	(3)	30.0
	Industry medians	**3.6**	**87.0**		**88.9**		
ENERGY-DOMESTIC OIL, GAS & COAL							
1	Atlantic Richfield	46.7	621.5	(3)	865.3	(3)	26.2
2	Louisiana Land	29.5	931.6	(1)	1910.9	(2)	0.8
3	Amerada Hess	29.1	596.5	(5)	672.3	(4)	7.9
4	American Petrofina	24.8	738.6	(2)	545.9	(6)	3.4
5	Sun Company	15.0	375.8	(9)	543.9	(7)	23.1
6	Anadarko Petroleum	14.0	353.3	(10)	2200.7	(1)	0.7
7	Mapco	11.4	326.9	(13)	272.8	(13)	5.0
8	Kerr-McGee	11.2	346.7	(11)	408.3	(11)	7.5
9	Unocal	10.0	467.5	(6)	556.9	(5)	18.1
10	Witco	8.0	181.1	(17)	134.0	(17)	7.9
11	Pennzoil	7.1	288.1	(14)	533.0	(8)	6.2
12	Coastal Corp	6.6	433.2	(8)	465.8	(10)	17.2

The Forbes 500s–Jobs and Productivity

Rank	Company	Per employee ($000)					Employees
		Profits	Sales	(rank)	Assets	(rank)	(000)
13	**AMAX**	3.8	163.3	(18)	191.6	(16)	20.7
13	**Ashland Oil**	3.8	191.8	(16)	106.5	(18)	38.1
13	**USX**	3.8	259.7	(15)	365.4	(12)	53.5
16	**Diamond Shamrock**	2.4	444.2	(7)	210.4	(15)	3.9
17	**Tesoro Petroleum**	–1.1	601.4	(4)	233.3	(14)	2.3
18	**Murphy Oil**	–10.1	340.9	(12)	477.9	(9)	4.3
	Industry medians	**9.0**	**364.6**		**471.9**		
ENERGY-INTERNATIONAL OIL							
1	**Exxon**	47.9	756.6	(1)	733.1	(1)	101.0
2	**Amoco**	29.1	431.3	(5)	530.8	(5)	46.8
3	**Chevron**	19.6	506.2	(3)	670.6	(2)	51.4
4	**Mobil**	10.1	413.1	(6)	331.8	(6)	124.0
5	**Occidental Petroleum**	3.6	336.4	(7)	329.3	(7)	50.8
6	**Phillips Petroleum**	1.6	484.0	(4)	546.8	(4)	22.2
7	**Texaco**	–86.3	673.0	(2)	665.0	(3)	51.1
	Industry medians	**10.1**	**484.0**		**546.8**		
ENERGY-OILFIELD SERVICES							
1	**Dresser Industries**	2.4	90.9	(2)	89.0	(2)	35.3
2	**Halliburton**	1.0	70.6	(3)	68.5	(3)	47.7
3	**Baker Hughes**	–10.5	91.4	(1)	98.1	(1)	22.0
	Industry medians	**1.0**	**90.9**		**89.0**		
FINANCE-BROKERAGE HOUSES							
1	**Morgan Stanley**	39.0	531.1	(3)	5004.7	(4)	5.9
2	**Bear Stearns Cos**	24.2	343.0	(4)	5649.1	(3)	5.4
3	**First Boston**	21.7	679.2	(2)	7209.3	(2)	5.0
4	**Salomon**	18.0	759.9	(1)	9461.6	(1)	7.9
5	**Merrill Lynch**	8.6	235.3	(7)	1218.4	(6)	45.3
6	**PaineWebber**	5.9	191.9	(7)	1020.2	(6)	12.7
7	**LF Rothschild**	–79.4	284.0	(5)	4268.4	(5)	1.6
	Industry medians	**18.0**	**343.0**		**5004.7**		
FINANCE-SERVICES							
1	**MBIA**	339.2	618.1	(4)	5292.1	(4)	0.2
2	**Student Loan**	166.2	1531.8	(2)	20995.0	(2)	1.1
3	**Fedl Natl Mortgage**	156.7	[illegible]	(1)	43107.8	(1)	2.4
4	**Dreyfus**	87.9	[illegible]	(5)	572.4	(11)	1.1
5	**DCNY Corp**	79.2	728.4	(3)	7971.1	(3)	0.4
6	**H&R Block**	22.4	226.7	(9)	126.9	(13)	3.3
7	**Beneficial Corp**	21.2	185.3	(11)	1032.9	(8)	6.7
8	**Gulf & Western**	16.9	231.2	(6)	735.3	(10)	20.7
9	**Household Intl**	10.2	158.4	(12)	781.9	(9)	21.7
10	**American Express**	6.5	218.0	(10)	1428.4	(6)	81.5
11	**Lomas & Nettleton**	6.3	229.1	(7)	1546.7	(5)	4.2
12	**Commercial Credit**	4.6	227.5	(8)	1073.9	(7)	4.0
13	**Southmark**	3.2	76.2	(13)	288.2	(12)	27.0
	Industry medians	**21.2**	**229.1**		[illegible]		
FOOD PROCESSORS-BRANDED FOODS							
1	**Kellogg**	22.5	215.8	(3)	152.6	(1)	17.6
2	**Wm Wrigley Jr**	12.8	142.0	(8)	74.1	(10)	5.5
3	**RJR Nabisco**	10.6	129.9	(10)	138.9	(2)	121.4
4	**CPC International**	10.1	139.9	(9)	93.0	(6)	35.1
5	**Kraft**	9.6	212.4	(4)	118.0	(3)	46.5
6	**Hershey Foods**	9.2	151.3	(7)	102.3	(5)	16.1
7	**HJ Heinz**	7.9	106.0	(12)	77.8	(8)	48.0
8	**Dean Foods**	7.0	230.2	(1)	76.9	(9)	6.5
9	**Quaker Oats**	6.9	159.6	(6)	91.0	(7)	30.5
10	**Borden**	6.8	165.3	(5)	105.5	(4)	39.4
11	**Ralston Purina**	6.1	100.4	(13)	65.0	(13)	58.9
12	**Campbell Soup**	5.5	96.5	(14)	68.8	(12)	48.1
13	**General Mills**	3.9	86.9	(15)	40.2	(15)	63.8
14	**ConAgra**	3.5	219.8	(2)	69.4	(11)	42.2
15	**Sara Lee**	3.3	107.8	(11)	56.2	(14)	89.7
16	**Castle & Cooke**	2.8	50.6	(17)	36.4	(17)	34.6
17	**Pillsbury**	2.0	58.2	(16)	39.8	(16)	106.5
	Industry medians	**6.9**	**139.9**		**76.9**		
FOOD PROCESSORS-COMMODITIES							
1	**Archer-Daniels**	31.6	589.8	(1)	437.5	(1)	10.5
2	**Pioneer Hi-Bred Intl**	10.3	167.2	(3)	190.4	(2)	5.1
3	**Intl Multifoods**	7.1	179.8	(2)	90.9	(3)	9.0
	Industry medians	**10.3**	**179.8**		**190.4**		
FOOD PROCESSORS-MEATPACKING							
1	**Geo A Hormel**	7.2	326.7	(1)	94.7	(1)	7.4
2	**Holly Farms**	3.4	119.5	(3)	55.1	(2)	12.8
3	**Tyson Foods**	2.8	71.1	(5)	32.1	(4)	25.3
4	**United Brands**	1.6	82.7	(4)	28.3	(5)	39.5
5	**Wilson Foods**	0.7	280.3	(2)	43.9	(3)	4.8
	Industry medians	**2.8**	**119.5**		**43.9**		
FOOD-MAJOR SUPERMARKETS							
1	**Lucky Stores**	3.5	166.9	(1)	31.4	(3)	41.5
2	**Albertson's**	3.0	141.4	(2)	33.8	(1)	41.5
3	**Great A&P Tea**	1.5	134.7	(3)	31.7	(2)	70.8
3	**Winn-Dixie Stores**	1.5	112.5	(4)	19.6	(7)	78.5
5	**American Stores**	1.2	110.2	(5)	28.6	(5)	129.5
5	**Stop & Shop Cos**	1.2	92.4	(7)	28.9	(4)	47.0
7	**Kroger**	1.1	105.4	(6)	26.6	(6)	167.5
	Industry medians	**1.5**	**112.5**		**28.9**		
FOOD-REGIONAL SUPERMARKETS							
1	**Weis Markets**	5.8	86.4	(5)	41.1	(3)	13.1
2	**Food Lion**	3.6	123.3	(3)	33.6	(5)	24.0
3	**Giant Food**	2.8	119.9	(4)	38.0	(4)	22.5
4	**Circle K**	2.6	127.2	(2)	62.2	(1)	20.2
5	**Vons Cos**	–0.2	154.5	(1)	49.4	(2)	21.2
	Industry medians	**2.8**	**123.3**		**41.1**		
FOOD-WHOLESALERS							
1	**Super Food Services**	6.6	809.6	(1)	127.1	(2)	1.9
2	**Staley Continental**	6.3	367.9	(3)	199.6	(1)	9.3
3	**Sysco**	5.9	351.6	(4)	85.4	(3)	11.4
4	**Super Valu Stores**	3.8	330.5	(6)	73.2	(4)	28.5
5	**Wetterau**	3.2	334.1	(5)	65.0	(6)	11.8
6	**Fleming Cos**	2.6	456.6	(2)	71.2	(5)	18.9
7	**Nash Finch**	2.1	221.4	(7)	40.6	(7)	8.7
8	**TW Services**	0.8	33.6	(8)	28.5	(8)	74.3
	Industry medians	**3.5**	**342.9**		**72.2**		

The Forbes 500s–Jobs and Productivity

Rank	Company	Per employee ($000)					Employees (000)
		Profits	Sales	(rank)	Assets	(rank)	
HEALTH-DRUGS							
1	Marion Laboratories	44.6	247.9	(5)	158.9	(9)	2.8
2	Genentech	32.1	166.1	(6)	470.0	(1)	1.3
3	Merck	29.3	163.8	(7)	183.8	(6)	30.9
4	Eli Lilly	25.2	142.6	(9)	205.7	(4)	25.6
5	Squibb	21.3	127.9	(10)	165.0	(8)	16.9
6	Bristol-Myers	20.6	156.6	(8)	137.2	(12)	34.5
7	American Home Prod	19.3	114.6	(16)	105.1	(16)	43.9
8	Abbott Laboratories	17.2	119.3	(15)	119.2	(15)	36.8
9	Pfizer	17.1	121.9	(13)	171.6	(7)	40.4
10	SmithKline Beckman	16.3	123.6	(11)	126.9	(14)	35.0
11	Upjohn	14.8	122.8	(12)	147.7	(10)	20.6
12	Schering-Plough	14.0	119.4	(14)	140.7	(11)	22.6
13	Warner-Lambert	9.1	107.5	(17)	76.4	(17)	32.4
14	Alco Health Services	7.7	737.4	(2)	190.9	(5)	2.5
15	McKesson	5.2	415.9	(4)	133.9	(13)	17.1
16	Bergen Brunswig	4.9	784.9	(1)	213.5	(3)	4.3
17	National Intergroup	–1.5	547.8	(3)	278.5	(2)	7.2
	Industry medians	**17.1**	**142.6**		**158.9**		
HEALTH-MEDICAL SUPPLIES							
1	Medtronic	17.1	124.1	(1)	120.4	(2)	4.9
2	Bausch & Lomb	10.5	103.1	(3)	120.1	(3)	8.2
3	Millipore	9.5	105.0	(2)	95.3	(5)	5.0
4	CR Bard	8.4	86.7	(5)	65.9	(6)	7.4
5	Becton Dickinson	6.9	83.5	(6)	98.3	(4)	19.6
6	Baxter Travenol	5.3	99.6	(4)	122.2	(1)	62.5
	Industry medians	**8.9**	**101.3**		**109.2**		
HEALTH-SERVICES							
1	Community Psych	12.1	57.3	(5)	82.0	(2)	5.0
2	Humana	4.2	66.8	(2)	71.8	(5)	45.9
3	American Medical	2.2	58.2	(4)	80.1	(4)	47.0
4	National Medical	1.2	42.1	(6)	46.8	(6)	71.0
5	Beverly Enterprises	–0.3	18.5	(7)	18.3	(7)	113.0
6	Hospital Corp	–0.8	61.5	(3)	81.3	(3)	76.0
7	Maxicare Health	–9.8	296.8	(1)	188.5	(1)	6.2
	Industry medians	**1.2**	**58.2**		**80.1**		
HEAVY EQUIPMENT							
1	Pall	9.4	77.5	(10)	110.2	(3)	5.2
2	Illinois Tool Works	7.8	124.4	(2)	94.1	(5)	13.7
3	Tecumseh Products	6.4	85.7	(7)	68.8	(9)	11.1
4	Caterpillar	5.9	152.1	(1)	127.7	(2)	53.8
5	Stanley Works	4.5	92.1	(5)	72.5	(8)	19.1
6	Deere	4.3	124.2	(3)	135.0	(1)	37.9
7	Norton	4.0	82.1	(9)	67.6	(10)	15.4
8	Trinova	3.7	83.7	(8)	65.7	(11)	20.1
9	Ingersoll-Rand	3.6	89.1	(6)	75.7	(7)	29.7
10	Parker-Hannifin	3.4	74.3	(11)	55.3	(12)	27.1
11	Combustion Eng	2.2	117.6	(4)	104.5	(4)	25.9
12	Timken	0.6	73.9	(12)	88.1	(6)	16.6
	Industry medians	**4.2**	**87.4**		**81.9**		

Rank	Company	Per employee ($000)					Employees (000)
		Profits	Sales	(rank)	Assets	(rank)	
INSURANCE-BROKERS							
1	Marsh & McLennan	14.2	100.8	(1)	76.7	(2)	21.3
2	Alexander & Alexander	3.5	60.5	(2)	141.1	(1)	18.5
	Industry medians	**8.8**	**80.7**		**108.9**		
INSURANCE-DIVERSIFIED							
1	General Re	206.4	1453.8	(1)	3978.8	(1)	2.4
2	Cincinnati Financial	60.8	576.8	(2)	1170.8	(7)	1.5
3	American Intl Group	37.2	402.8	(8)	1017.9	(9)	28.0
4	American General	34.8	442.4	(6)	1731.1	(2)	16.2
5	Loews	29.7	382.4	(9)	948.1	(10)	23.4
6	Safeco	26.8	300.7	(13)	767.3	(12)	8.6
7	Transamerica	25.5	428.3	(7)	1392.2	(5)	16.8
8	Old Republic Intl	22.1	235.4	(15)	601.7	(16)	4.7
9	Aetna Life & Cas	19.6	496.9	(4)	1634.9	(3)	44.5
10	Aon	17.6	279.0	(14)	800.5	(11)	8.9
11	Lincoln National	16.7	490.6	(5)	1269.0	(6)	14.2
12	Farmers Group	15.9	73.1	(17)	223.3	(17)	15.5
13	Cigna	14.6	343.4	(11)	1086.4	(8)	49.2
14	Reliance Group	13.3	354.0	(10)	755.8	(13)	9.5
15	Kemper	13.2	218.1	(16)	639.5	(15)	16.8
16	Continental Corp	10.6	334.4	(12)	700.4	(14)	17.4
17	Travelers	8.9	515.1	(3)	1480.0	(4)	33.9
	Industry medians	**19.6**	**382.4**		**1017.9**		
INSURANCE-LIFE & HEALTH							
1	First Executive	169.4	3315.9	(1)	15622.0	(1)	1.1
2	USLife	48.0	716.3	(3)	2337.6	(3)	1.7
3	American Family	32.8	602.1	(5)	1614.4	(8)	3.1
4	Torchmark	32.0	253.1	(12)	674.8	(13)	6.3
5	Jefferson-Pilot	28.1	200.0	(13)	739.4	(12)	5.3
6	ICH	25.7	438.5	(9)	1584.5	(9)	5.5
7	UNUM Corp	24.1	532.8	(6)	1875.4	(6)	3.9
8	Kaufman & Broad	23.7	626.7	(4)	2223.5	(4)	2.4
9	Monarch Capital	21.2	959.6	(2)	2534.0	(2)	2.1
10	Capital Holding	20.6	401.3	(10)	1243.8	(11)	8.4
11	Provident Life & Acc	17.2	461.2	(7)	1733.6	(7)	5.5
12	Integrated Resources	16.8	340.3	(11)	1909.6	(5)	3.2
13	No'western Natl Life	13.1	449.7	(8)	1571.6	(10)	2.9
14	American Natl Ins	12.2	119.8	(15)	550.7	(14)	7.5
15	Primerica	8.0	151.7	(14)	532.9	(15)	24.8
	Industry medians	**23.7**	**449.7**		**1614.4**		
INSURANCE-PROPERTY & CASUALTY							
1	Argonaut Group	177.9	443.3	(2)	1923.5	(1)	1.0
2	Chubb	34.0	382.9	(3)	887.6	(4)	9.7
3	St Paul Cos	30.7	324.4	(5)	809.5	(5)	10.4
4	Fireman's Fund	28.9	313.1	(6)	765.6	(6)	12.5
5	USF&G	26.2	477.4	(1)	1003.2	(2)	10.1
6	Geico	26.1	253.4	(9)	456.4	(7)	6.2
7	Home Group	24.6	356.5	(4)	920.0	(3)	7.0
8	Hanover Insurance	21.7	274.5	(7)	447.2	(9)	5.1
9	Progressive	17.0	188.8	(10)	337.2	(10)	5.3
10	Ohio Casualty	12.3	267.8	(8)	456.0	(8)	5.9
	Industry medians	**26.1**	**318.8**		**787.5**		

The Forbes 500s–Jobs and Productivity

		Per employee ($000)			Employees
Rank	Company	Profits	Sales (rank)	Assets (rank)	(000)
LEISURE-ENTERTAINMENT					
1	Warner Commun	35.9	410.1 (1)	469.5 (1)	8.3
2	Walt Disney	15.2	98.4 (3)	127.7 (3)	30.0
3	MCA	8.4	157.9 (2)	215.5 (2)	16.4
4	Bally Manufacturing	2.1	62.6 (4)	94.3 (5)	26.8
5	United Artists	2.0	55.6 (5)	99.2 (4)	12.6
	Industry medians	8.4	98.4	127.7	
LEISURE-HOTELS & GAMING					
1	Golden Nugget	45.8	64.7 (1)	181.7 (1)	3.0
2	Prime Motor Inns	7.5	31.7 (5)	88.4 (2)	8.0
3	Circus Circus	7.4	54.7 (2)	63.0 (3)	8.4
4	Hilton Hotels	4.0	23.3 (6)	40.7 (5)	35.0
5	Holiday	2.6	37.9 (3)	54.6 (4)	43.9
6	Marriott	1.1	32.2 (4)	26.5 (6)	202.8
	Industry medians	5.7	35.0	58.8	
LEISURE-PHOTOGRAPHY					
1	Eastman Kodak	9.6	108.2 (2)	117.5 (1)	122.9
2	Polaroid	8.2	124.1 (1)	114.3 (2)	14.2
	Industry medians	8.9	116.2	115.9	
LEISURE-RECREATION					
1	Carnival Cruise Lines	28.6	105.6 (3)	176.2 (1)	5.3
2	Brunswick	6.1	111.8 (2)	68.7 (3)	27.6
3	Outboard Marine	5.3	132.5 (1)	102.5 (2)	10.4
	Industry medians	6.1	111.8	102.5	
METALS-NONFERROUS					
1	Newmont Mining	152.7	231.0 (3)	882.8 (1)	2.2
2	Battle Mountain Gold	98.6	254.2 (2)	278.8 (3)	0.5
3	Homestake Mining	72.7	151.7 (8)	454.3 (2)	2.0
4	Asarco	27.6	179.5 (5)	274.6 (4)	7.6
5	Phelps Dodge	17.2	184.5 (4)	257.6 (5)	8.7
6	Engelhard	10.3	364.6 (1)	178.9 (8)	6.8
7	Reynolds Metals	7.4	158.4 (7)	159.5 (9)	27.1
8	Alcoa	4.1	142.5 (9)	181.7 (7)	54.5
9	KaiserTech	–28.9	158.7 (6)	207.0 (6)	12.5
	Industry medians	17.2	179.5	257.6	
METALS-STEEL					
1	Nucor	11.2	189.1 (1)	145.4 (1)	4.5
2	LTV	10.4	157.1 (3)	118.3 (5)	48.3
3	Inland Steel Inds	5.4	166.5 (2)	127.8 (4)	20.7
4	Armco	5.1	141.1 (4)	134.3 (3)	20.8
5	Bethlehem Steel	3.0	134.3 (5)	138.8 (2)	34.4
	Industry medians	5.4	157.1	134.3	
NATURAL GAS-DISTRIBUTORS					
1	Nicor	20.3	348.1 (1)	485.0 (2)	4.1
2	Kansas Power & Light	19.7	258.9 (2)	383.9 (3)	4.5
3	Southwest Gas	14.5	240.7 (3)	1157.1 (1)	2.7
	Industry medians	19.7	258.9	485.0	
NATURAL GAS-INTEGRATED					
1	Consol Natural Gas	24.7	308.3 (2)	524.1 (2)	7.5
2	Arkla	21.3	323.3 (1)	686.9 (1)	3.7
3	Columbia Gas System	10.5	263.1 (3)	510.4 (3)	10.6
4	Pacific Enterprises	9.2	195.9 (4)	184.5 (5)	27.3
5	Enserch	1.9	163.0 (5)	194.1 (4)	17.0
	Industry medians	10.5	263.1	510.4	
NATURAL GAS-PRODUCERS & PIPELINERS					
1	Panhandle Eastern	26.9	388.4 (4)	756.4 (3)	4.0
2	Sonat	23.7	320.6 (6)	704.1 (5)	4.4
3	Williams Cos	19.8	391.2 (3)	756.3 (4)	4.6
4	Texas Eastern	10.3	384.1 (5)	545.5 (6)	9.2
5	Enron	0.8	839.5 (1)	1094.4 (1)	7.0
6	Transco Energy	–16.3	642.0 (2)	850.9 (2)	5.1
	Industry medians	15.1	389.8	756.3	
PACKAGING					
1	Longview Fibre	20.3	172.5 (5)	164.3 (3)	3.3
2	Temple-Inland	12.7	173.8 (3)	254.5 (1)	11.2
3	Jefferson Smurfit	11.8	141.0 (6)	88.6 (7)	7.8
4	Stone Container	9.4	188.0 (1)	132.9 (5)	17.2
5	International Paper	9.1	173.5 (4)	194.6 (2)	44.8
6	Ball Corp	8.3	132.6 (8)	100.0 (6)	8.0
7	Crown Cork & Seal	7.1	138.8 (7)	85.5 (8)	12.4
8	Sonoco Products	4.7	100.9 (9)	67.5 (9)	13.0
9	Triangle Industries	2.4	184.5 (2)	160.5 (4)	23.5
	Industry medians	9.1	172.5	132.9	
PAPER					
1	Consolidated Papers	21.9	169.8 (5)	183.9 (5)	4.4
2	Bowater	16.6	251.2 (1)	346.9 (1)	4.9
3	Willamette Inds	14.3	168.1 (6)	138.6 (11)	8.5
4	Federal Paper Board	12.9	178.4 (3)	205.8 (3)	5.8
5	Gt Northern Nekoosa	12.3	158.8 (7)	217.1 (2)	16.3
6	Champion Intl	12.1	146.7 (8)	194.1 (4)	31.5
7	Union Camp	11.9	132.4 (10)	166.3 (7)	17.4
8	Potlatch	11.6	131.5 (12)	173.1 (6)	7.5
9	Westvaco	10.7	131.9 (11)	150.3 (9)	14.9
10	Mead	10.6	204.8 (2)	142.0 (10)	20.6
11	Fort Howard	9.7	108.0 (13)	135.0 (12)	16.3
12	Boise Cascade	8.4	175.4 (4)	154.9 (8)	21.8
13	James River Corp Va	5.4	135.9 (9)	134.9 (13)	36.0
	Industry medians	11.9	158.8	166.3	
RETAILING-APPAREL					
1	Gap	5.0	76.7 (2)	31.4 (3)	13.9
1	Limited	5.0	75.7 (3)	34.1 (2)	46.6
3	Nordstrom	4.4	91.4 (1)	58.8 (1)	21.0
4	Melville	3.3	69.4 (4)	26.1 (5)	85.5
5	Brown Group	1.8	62.7 (5)	25.6 (6)	26.8
6	US Shoe	1.0	59.8 (6)	30.4 (4)	36.3
	Industry medians	3.9	72.6	30.9	
RETAILING-DEPARTMENT STORES					
1	Mercantile Stores	5.9	98.0 (2)	61.1 (2)	22.0
2	JC Penney	3.4	85.9 (3)	60.7 (3)	178.5
3	Dillard Dept Stores	3.3	78.8 (5)	53.5 (4)	28.0
4	May Dept Stores	3.0	70.0 (7)	41.9 (6)	147.4

Rank	Company	Per employee ($000)					Employees (000)
		Profits	Sales	(rank)	Assets	(rank)	
4	Sears, Roebuck	3.0	98.2	(1)	154.7	(1)	493.2
6	Federated Dept Strs	2.3	82.2	(4)	46.0	(5)	135.3
7	Carter Hawley Hale	–2.5	75.5	(6)	41.1	(7)	35.0
	Industry medians	**3.0**	**82.2**		**53.5**		
RETAILING-DISCOUNT & VARIETY							
1	Wal-Mart Stores	3.9	99.2	(2)	31.7	(7)	162.0
2	Fred Meyer	2.2	126.3	(1)	42.8	(3)	14.6
3	K mart	2.1	79.6	(6)	34.2	(5)	325.0
4	FW Woolworth	2.0	58.2	(8)	26.9	(8)	122.5
5	Zayre	1.9	97.4	(3)	34.3	(4)	63.5
6	Dayton Hudson	1.8	81.8	(4)	46.6	(1)	130.5
7	Ames Dept Stores	1.3	80.8	(5)	32.4	(6)	26.2
8	Hills Dept Stores	1.0	75.7	(7)	43.9	(2)	20.0
	Industry medians	**1.9**	**81.3**		**34.3**		
RETAILING-DRUGS							
1	Rite Aid	5.5	93.9	(3)	51.4	(1)	24.2
2	Longs Drug Stores	4.1	147.7	(1)	39.5	(2)	12.0
3	Walgreen	2.4	98.7	(2)	33.9	(3)	45.0
	Industry medians	**4.1**	**98.7**		**39.5**		
RETAILING-MISCELLANEOUS							
1	Jostens	10.7	71.8	(11)	46.4	(12)	8.0
2	Price Co	9.9	421.9	(1)	116.2	(1)	8.3
3	Tandy	7.7	97.5	(10)	59.4	(10)	37.5
4	Home Depot	6.9	185.2	(3)	67.3	(6)	7.9
5	Toys "R" Us	6.6	102.2	(9)	66.1	(8)	30.7
6	Sherwin-Williams	6.5	121.1	(6)	77.0	(3)	14.8
7	Lowe's Cos	3.8	165.3	(4)	69.5	(4)	14.8
8	McDonald's	3.5	30.5	(13)	43.9	(13)	159.0
9	Wickes Cos	2.3	57.9	(12)	67.3	(6)	60.0
10	Payless Cashways	1.9	122.1	(5)	56.3	(11)	14.5
11	Best Products	1.3	107.1	(8)	64.2	(9)	19.3
12	Service Merchandise	1.1	120.7	(7)	68.9	(5)	22.5
13	Costco Wholesale	1.0	343.9	(2)	94.7	(2)	4.5
	Industry medians	**3.8**	**120.7**		**67.3**		
SERVICES & RELATED PRODUCTS-INDUSTRIAL							
1	Rollins Environmental	47.0	278.0	(1)	269.6	(1)	0.7
2	FlightSafety Intl	28.1	87.3	(6)	263.1	(2)	1.5
3	Ecolab	12.7	91.8	(5)	86.2	(5)	11.1
4	Waste Management	11.9	100.0	(2)	121.6	(3)	27.6
5	Browning-Ferris Inds	10.1	96.7	(3)	110.6	(4)	18.2
6	Safety-Kleen	9.7	92.7	(4)	83.9	(6)	3.6
7	Ogden	1.4	22.7	(7)	25.1	(7)	37.8
	Industry medians	**11.9**	**92.7**		**110.6**		

Rank	Company	Per employee ($000)					Employees (000)
		Profits	Sales	(rank)	Assets	(rank)	
SERVICES & RELATED PRODUCTS-OFFICE							
1	Microsoft	62.6	307.5	(3)	277.3	(4)	1.5
2	Lotus Development	39.7	218.1	(6)	175.1	(7)	1.8
3	Computer Associates	36.4	278.0	(4)	360.8	(3)	2.2
4	Comdisco	30.3	1220.2	(1)	3084.8	(1)	1.0
5	Oracle Systems	28.6	229.6	(5)	214.9	(5)	0.8
6	PHH Group	10.4	367.8	(2)	950.9	(2)	4.2
7	Automatic Data	7.3	71.6	(9)	78.1	(9)	20.5
8	Xerox	5.2	135.4	(7)	210.0	(6)	111.7
9	Avery International	3.0	126.8	(8)	90.9	(8)	11.6
10	Kelly Services	0.6	14.0	(10)	3.2	(10)	83.0
	Industry medians	**19.5**	**223.8**		**212.4**		
SURFACE TRANSPORTATION-RAILROADS							
1	Union Pacific	12.5	127.6	(3)	234.5	(4)	46.6
2	Burlington Northern	8.7	156.5	(2)	258.8	(3)	42.3
2	CSX	8.7	162.5	(1)	267.3	(2)	49.5
4	Consolidated Rail	8.0	97.0	(6)	203.1	(6)	33.5
5	Santa Fe Southern	7.3	106.7	(5)	230.4	(5)	51.1
6	Norfolk Southern	4.8	114.3	(4)	273.1	(1)	36.0
	Industry medians	**8.3**	**120.9**		**246.7**		
SURFACE TRANSPORTATION-SHIPPING							
1	Alexander & Baldwin	37.8	198.1	(2)	308.2	(2)	3.2
2	American President	19.9	459.3	(1)	402.5	(1)	4.0
	Industry medians	**28.8**	**328.7**		**355.4**		
SURFACE TRANSPORTATION-TRUCKING & LEASING							
1	Ryder System	4.9	121.0	(1)	151.5	(1)	38.1
2	Consol Freightways	2.9	90.3	(2)	54.1	(2)	25.5
3	Roadway Services	1.9	71.4	(4)	41.3	(3)	26.8
4	Yellow Freight Sys	1.7	72.0	(3)	37.8	(4)	24.5
	Industry medians	**2.4**	**81.2**		**47.7**		
TELECOMMUNICATIONS-CARRIERS							
1	Citizens Utilities	41.3	176.8	(3)	609.4	(2)	1.5
2	Alltel	18.4	129.7	(5)	296.5	(5)	5.7
3	BellSouth	17.0	125.5	(9)	280.4	(8)	97.8
4	Southwestern Bell	15.6	118.9	(13)	319.5	(4)	67.3
5	Bell Atlantic	15.4	127.8	(8)	263.7	(10)	80.6
6	Ameritech	15.2	122.2	(12)	240.8	(13)	78.0
7	US West	14.6	122.5	(11)	276.9	(9)	68.9
8	Nynex	13.8	130.3	(4)	245.7	(12)	92.8
9	Pacific Telesis	12.9	124.4	(10)	286.8	(6)	73.4
10	Centel	12.3	115.9	(14)	236.7	(14)	12.7
11	Cincinnati Bell	11.5	113.6	(15)	203.5	(15)	5.6
12	So New England Tel	10.2	107.1	(17)	201.7	(16)	13.7
13	GTE	6.9	95.8	(18)	178.5	(17)	161.0
14	American Tel & Tel	6.6	108.4	(16)	124.0	(18)	310.0
15	MCI Communications	6.1	282.5	(1)	385.9	(3)	13.9
16	Contel	1.9	129.7	(5)	246.0	(11)	22.4
17	United Telecom	–2.2	128.1	(7)	281.7	(7)	23.3
18	McCaw Cellular Com	–17.9	200.1	(2)	1354.7	(1)	0.8
	Industry medians	**12.6**	**125.0**		**270.3**		

Ranking The Forbes 500s

SALES
PROFITS
ASSETS
MARKET VALUE

The cross-reference beginning below lists all 796 companies that show up on at least one of the Forbes 500s rosters.

BY WHAT YARDSTICK does one measure corporate size? Profits are obviously important. The Forbes Profits 500 shows that top-ranked IBM, which earned $5.3 billion, earned 82 times more than Giant Food, the 500th firm that qualified for this list. But a survey that listed corporations by profits alone would leave out the likes of Texaco, which lost over $4.4 billion last year but is the eighth-largest firm in terms of revenues.

Wall Street measures bigness another way—how much is a company worth? Anadarko Petroleum, for instance, was spun off by Panhandle Eastern in 1986. With sales of only $230 million the company is way below the $1.3 billion minimum to make the Sales 500 list. But investors currently think that Anadarko Petroleum is worth more than its size alone would suggest. With a market capitalization of $1.2 billion, Anadarko is large enough to place 366th on the Forbes Market Value 500.

It's for such reasons that FORBES long ago chose to rank the largest companies in the U.S. by four measures of bigness: Sales, Profits, Assets and Market Value. This alphabetical list shows all companies that qualified for one or more of the Forbes 500s lists. A total of 796 companies are here.

Where they rank: 1987										
Assets	Sales	Market value	Net profits	Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
333	168	32	49	**Abbott Laboratories**	4,386	4,388	10,940	632.6	876.2	36.8
14	16	83	34	**Aetna Life & Casualty**	72,754	22,114	5,141	871.1	958.9	44.5
■	■	246	233	**Affiliated Publications**	532	490	1,969	183.3	204.4	2.6
37	284	300	211	**HF Ahmanson**	30,507	2,648	1,625	200.2	273.5	9.8
476	340	216	239	**Air Products & Chemicals**	2,778	2,187	2,228	179.6	430.6	12.4
■	126	288	324	**Albertson's**	1,402	5,869	1,693	125.4	198.5	41.5
■	397	■	■	**Alco Health Services**	474	1,831	210	19.0	23.0	2.5
■	200	464	414	**Alco Standard**	1,311	3,673	938	88.0	130.7	17.6
■	■	■	494	**Alexander & Alexander Services**	2,610	1,119	746	64.9	115.4	18.5
■	■	406	331	**Alexander & Baldwin**	982	631	1,089	120.4	161.5	3.2
340	373	251	200	**Allegheny Power System**	4,304	1,981	1,912	207.0	365.8	5.8
190	78	115	117	**Allegis**	8,226	8,293	4,053	335.1	884.1	63.0
148	46	108	54	**Allied-Signal**	10,226	11,116	4,236	597.0	962.0	126.3
■	■	460	362	**Alltel**	1,682	736	956	104.4	229.6	5.7
485	■	■	■	**Altus Bank FSB**	2,730	283	28	0.1	5.2	1.3
155	84	112	184	**Aluminum Co of America**	9,902	7,767	4,120	224.0	831.2	54.5
365	224	249	445	**AMAX**	3,969	3,383	1,935	79.3	273.2	20.7
■	458	263	301	**Amdahl**	1,508	1,505	1,845	142.0	248.4	7.5
282	157	238	181	**Amerada Hess**	5,305	4,707	2,042	229.9	661.3	7.9
128	120	91	68	**American Brands***	11,314	6,029	4,899	522.7	663.7	42.0
257	■	■	■	**American Capital**	5,753	539	62	0.2	13.3	2.3
304	■	■	■	**American Continental**	4,950	731	125	22.1	31.4	1.8
355	180	122	147	**American Cyanamid**	4,129	4,166	3,705	275.6	476.4	34.4
106	154	86	71	**American Electric Power**	14,011	4,788	5,080	502.5	957.6	23.2
2	20	38	67	**American Express**	116,434	17,768	9,626	533.3	533.3	81.5

■ Not on 500 list. *Figures include unconsolidated subsidiaries.

Where they rank: 1987 Assets	Sales	Market value	Net profits	Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
300	390	390	372	**American Family**	5,031	1,876	1,144	102.1	102.1	3.1
46	98	114	61	**American General**	28,008	7,157	4,114	563.0	563.0	16.2
317	146	34	35	**American Home Products**	4,608	5,028	10,565	845.1	957.7	43.9
47	44	36	29	**American International Group**	27,908	11,278	9,806	932.0	932.0	28.0
382	277	433	360	**American Medical International**	3,765	2,735	1,026	105.1	301.4	47.0
352	■	■	397	**American National Insurance**	4,145	902	753	92.1	98.4	7.5
■	307	■	432	**American Petrofina**	1,836	2,484	767	83.3	219.9	3.4
■	398	■	448	**American President Cos Ltd**	1,599	1,825	618	79.1	154.3	4.0
449	■	■	■	**American Savings & Loan Assn of Fla**	2,988	245	129	2.7	5.4	0.9
359	■	■	■	**American Savings Bank FSB**	4,053	365	83	21.4	33.7	1.0
■	223	394	321	**American Standard**	2,398	3,400	1,130	127.1	244.1	39.1
386	34	312	275	**American Stores**	3,705	14,272	1,537	154.3	349.9	129.5
27	9	4	6	**American Telephone & Telegraph**	38,426	33,598	28,989	2,044.0	5,768.0	310.0
335	■	■	■	**AmeriFirst Bank**	4,350	414	160	11.1	24.3	2.2
84	61	28	20	**Ameritech**	18,784	9,536	11,619	1,188.1	2,981.2	78.0
147	■	■	■	**AmeriTrust**	10,334	934	662	−10.1	18.8	5.9
■	352	■	■	**Ames Department Stores**	847	2,112	392	33.0	63.8	26.2
■	339	■	■	**Amfac**	1,078	2,195	550	5.0	49.6	19.5
53	17	10	11	**Amoco**	24,827	20,174	17,777	1,360.0	3,655.0	46.8
■	473	■	■	**Amoskeag**	962	1,436	62	0.3	33.9	23.9
■	328	87	165	**AMP**	2,082	2,318	5,027	249.7	390.3	21.9
185	95	234	214	**AMR**	8,442	7,198	2,073	198.4	684.3	59.7
204	■	■	■	**AmSouth Bancorporation**	7,527	640	547	60.2	72.8	4.7
■	■	366	■	**Anadarko Petroleum**	1,430	230	1,242	9.1	91.5	0.7
198	■	■	■	**Anchor Savings Bank FSB**	7,674	678	87	24.9	55.5	3.5
230	79	37	51	**Anheuser-Busch Cos**	6,515	8,258	9,779	614.7	930.2	41.7
213	311	323	273	**Aon**	7,084	2,469	1,479	156.2	214.9	8.9
461	■	■	■	**Apple Bank for Savings**	2,867	254	116	19.2	23.8	0.9
■	255	81	145	**Apple Computer**	1,623	3,041	5,215	280.4	353.2	6.4
318	118	125	119	**Archer-Daniels-Midland**	4,585	6,181	3,660	331.3	497.9	10.5
■	■	■	250	**Argonaut Group**	1,847	426	345	170.8	170.8	1.0
■	■	■	483	**Aristech Chemical**	551	919	682	69.7	99.0	1.7
■	■	427	450	**Arkla**	2,524	1,188	1,043	78.3	181.4	3.7
473	262	450	359	**Armco**	2,787	2,927	978	105.4	216.6	20.8
■	323	318	283	**Armstrong World Industries**	1,603	2,365	1,491	150.4	241.8	24.1
■	497	374	197	**Asarco**	2,073	1,355	1,212	208.4	268.1	7.6
358	93	283	293	**Ashland Oil**	4,058	7,308	1,722	146.2	407.9	38.1
■	■	■	466	**Atlantic Energy**	1,499	648	561	73.8	124.8	2.2
207	■	■	■	**Atlantic Financial Federal**	7,355	720	33	4.8	30.6	1.9
65	26	26	19	**Atlantic Richfield**	22,670	16,282	12,260	1,224.0	2,961.0	26.2
■	466	137	284	**Automatic Data Processing**	1,601	1,467	3,493	149.8	248.8	20.5
■	467	467	■	**Avery International**	1,051	1,466	934	34.7	76.7	11.6
■	428	490	■	**Avnet**	1,094	1,671	845	37.3	67.7	9.3
■	274	268	268	**Avon Products**	2,559	2,763	1,833	159.1	229.9	34.9
■	370	306	■	**Baker Hughes**	2,154	2,007	1,603	−230.3	−88.1	22.0
■	■	498	492	**Ball Corp**	795	1,054	825	66.3	107.6	8.0
■	427	■	■	**Bally Manufacturing**	2,525	1,676	346	57.1	188.4	26.8
445	■	■	■	**Baltimore Bancorp**	3,021	249	143	22.4	26.4	1.0
321	399	199	135	**Baltimore Gas & Electric**	4,510	1,809	2,328	300.1	478.7	8.8
85	376	197	196	**Banc One**	18,730	1,960	2,360	208.9	251.7	13.3
274	■	■	■	**Banco Popular de Puerto Rico**	5,390	457	268	38.3	49.2	4.0

■ Not on 500 list

Ranking The Forbes 500s

Where they rank: 1987										
Assets	Sales	Market value	Net profits	Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
253	■	■	■	**Bancorp Hawaii**	5,826	493	429	53.9	64.4	3.3
30	174	324	■	**Bank of Boston**	34,117	4,269	1,467	19.7	88.0	20.1
40	287	287	306	**Bank of New England**	29,475	2,629	1,703	140.5	198.6	18.5
62	350	488	367	**Bank of New York**	23,065	2,141	852	103.4	151.9	9.8
353	■	■	■	**Bank South**	4,136	396	310	27.0	40.2	2.9
5	58	395	■	**BankAmerica**	92,833	9,753	1,124	—955.0	—729.0	64.0
17	128	189	■	**Bankers Trust New York**	56,521	5,693	2,453	1.2	70.1	11.7
479	■	■	■	**BanPonce**	2,772	255	122	12.0	16.1	2.1
■	■	448	■	**CR Bard**	488	641	994	62.3	87.1	7.4
58	333	289	216	**Barnett Banks**	23,451	2,286	1,691	195.6	257.5	17.1
■	■	380	■	**Battle Mountain Gold**	135	123	1,183	47.6	54.4	0.5
■	■	431	422	**Bausch & Lomb**	979	840	1,029	85.3	122.1	8.2
200	115	74	120	**Baxter Travenol Laboratories**	7,638	6,223	5,468	331.0	645.0	62.5
182	■	■	487	**BayBanks**	8,506	771	597	69.4	93.8	5.6
38	396	491	318	**Bear Stearns Cos**	30,262	1,837	844	129.9	129.9	5.4
■	436	241	315	**Becton Dickinson**	1,926	1,636	2,001	135.2	231.9	19.6
71	54	24	18	**Bell Atlantic**	21,245	10,298	12,876	1,240.4	3,357.3	80.6
49	39	11	9	**BellSouth**	27,417	12,269	17,335	1,664.8	4,162.7	97.8
218	■	■	299	**Beneficial Corp**	6,920	1,242	778	142.2	159.7	6.7
308	■	■	■	**Benj Franklin Federal S&L**	4,900	469	35	14.8	29.7	1.6
■	230	■	■	**Bergen Brunswig**	913	3,358	268	20.8	30.7	4.3
276	326	141	173	**Berkshire Hathaway**	5,380	2,338	3,384	234.6	260.9	19.0
■	363	■	■	**Best Products**	1,240	2,067	188	25.0	63.6	19.3
315	161	410	365	**Bethlehem Steel**	4,775	4,621	1,078	103.9	442.8	34.4
■	354	■	■	**Beverly Enterprises**	2,072	2,094	379	—32.8	60.7	113.0
■	368	400	497	**Black & Decker**	1,661	2,018	1,104	64.3	162.1	20.7
■	■	308	468	**H&R Block**	413	737	1,570	72.8	94.8	3.3
156	■	■	437	**Boatmen's Bancshares**	9,885	842	596	81.4	102.0	5.5
118	30	71	76	**Boeing**	12,566	15,355	5,634	480.0	966.0	136.1
403	195	264	234	**Boise Cascade**	3,375	3,821	1,841	183.0	368.6	21.8
351	112	127	150	**Borden**	4,157	6,514	3,646	267.1	426.2	39.4
487	■	■	377	**Boston Edison**	2,703	1,181	702	97.7	215.1	4.5
■	■	413	439	**Bowater**	1,700	1,231	1,073	81.1	166.6	4.9
364	■	■	■	**Branch Corp**	3,984	360	257	33.5	38.6	2.9
316	137	27	41	**Bristol-Myers**	4,732	5,401	11,973	709.6	825.5	34.5
■	■	392	354	**Brown-Forman**	1,019	1,101	1,131	108.0	140.7	6.7
■	426	■	■	**Brown Group**	684	1,678	576	46.9	74.1	26.8
■	415	111	230	**Browning-Ferris Industries**	2,013	1,761	4,133	184.4	375.4	18.2
■	249	350	252	**Brunswick**	1,896	3,086	1,316	168.8	310.2	27.6
136	110	96	108	**Burlington Northern**	10,948	6,621	4,672	369.3	903.3	42.3
■	468	481	■	**Cabot**	1,614	1,464	880	36.6	136.2	5.9
54	306	■	254	**CalFed**	24,583	2,484	537	166.9	219.8	6.8
242	■	■	■	**California First Bank**	6,062	581	401	40.1	52.3	3.9
■	■	■	452	**CalMat**	663	602	778	78.1	113.4	3.2
412	160	130	155	**Campbell Soup**	3,309	4,642	3,608	265.2	409.8	48.1
278	166	73	146	**Capital Cities/ABC**	5,378	4,440	5,587	279.1	437.4	20.0
146	231	358	248	**Capital Holding**	10,386	3,351	1,274	172.1	192.9	8.4
■	■	302	276	**Carnival Cruise Lines**	941	564	1,617	152.8	177.3	5.3
199	358	171	115	**Carolina Power & Light**	7,648	2,082	2,692	343.4	710.6	9.4
■	286	■	■	**Carter Hawley Hale Stores**	1,437	2,641	191	—86.3	—86.3	35.0
250	■	■	■	**Carteret Bancorp**	5,906	594	186	29.8	38.7	2.0
■	419	484	379	**Castle & Cook**	1,260	1,749	876	97.4	137.4	34.6

■ Not on 500 list.

Ranking The Forbes 500s

Where they rank: 1987 Assets	Sales	Market value	Net profits	Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
219	80	58	125	**Caterpillar**	6,866	8,180	6,288	319.0	722.0	53.8
369	275	121	80	**CBS**	3,910	2,762	3,711	452.8	516.2	6.9
447	461	310	272	**Centel**	3,014	1,476	1,545	157.1	357.9	12.7
130	379	209	100	**Centerior Energy**	11,283	1,946	2,269	390.4	584.0	9.1
288	■	■	■	**Centerre Bancorporation**	5,242	500	235	15.1	29.0	3.6
■	492	■	■	**Centex**	1,030	1,375	259	26.0	37.7	4.6
201	316	165	107	**Central & South West**	7,619	2,436	2,797	372.0	636.0	9.0
375	■	■	■	**Central Bancshares of the South**	3,874	360	250	33.5	42.7	2.6
342	■	■	■	**Central Fidelity Banks**	4,287	404	412	47.3	55.1	3.0
■	■	■	477	**Central Illinois Public Service**	1,667	591	701	70.3	132.0	2.7
191	■	■	■	**CenTrust Savings Bank**	8,187	837	64	30.7	75.1	2.2
240	162	145	101	**Champion International**	6,103	4,615	3,287	382.0	633.7	31.5
4	47	260	■	**Chase Manhattan**	99,133	10,745	1,858	–894.8	–646.6	44.9
7	109	384	■	**Chemical New York**	78,189	6,628	1,173	–853.7	–711.7	26.1
29	13	21	26	**Chevron**	34,465	26,015	13,556	1,007.0	3,521.0	51.4
■	483	■	■	**Chicago Pacific**	1,494	1,412	281	34.7	70.9	21.0
78	12	92	12	**Chrysler**	19,939	26,277	4,885	1,289.7	2,164.9	122.7
177	198	208	121	**Chubb**	8,609	3,714	2,269	330.1	348.9	9.7
19	25	139	40	**Cigna**	53,495	16,909	3,435	719.1	719.1	49.2
■	■	■	496	**Cincinnati Bell**	1,135	634	791	64.4	162.3	5.6
■	■	■	392	**Cincinnati Financial**	1,792	883	626	93.2	101.4	1.5
436	495	393	340	**Cincinnati Gas & Electric**	3,082	1,357	1,131	113.9	199.7	4.6
■	298	■	■	**Circle K**	1,254	2,564	458	51.6	113.4	20.2
■	■	479	■	**Circus Circus Enterprises**	529	459	886	61.9	90.9	8.4
378	■	■	■	**Citadel Holding**	3,819	340	107	26.5	29.5	0.8
1	11	66	■	**Citicorp**	203,607	27,519	5,890	–1,138.0	–578.0	89.3
75	393	335	270	**Citizens & Southern**	20,444	1,854	1,407	157.9	210.0	13.3
■	■	411	498	**Citizens Utilities**	943	274	1,077	63.9	94.3	1.5
400	■	■	■	**City National**	3,485	309	421	40.9	50.1	2.1
143	■	■	■	**CityFed Financial**	10,811	1,102	72	10.7	47.7	6.0
■	■	316	329	**Clorox**	973	1,184	1,497	120.9	152.3	4.8
166	268	401	225	**CMS Energy**	9,355	2,801	1,100	186.9	425.0	10.5
121	■	■	■	**Coast Savings & Loan Assn**	11,952	1,044	210	57.1	76.4	2.2
193	92	383	341	**Coastal Corp**	7,989	7,429	1,174	113.1	433.4	17.2
189	88	20	31	**Coca-Cola**	8,356	7,658	14,196	916.1	1,069.6	22.7
344	232	244	412	**Coca-Cola Enterprises**	4,250	3,329	1,992	88.4	282.9	22.5
422	130	170	■	**Colgate-Palmolive**	3,228	5,647	2,693	54.0	155.3	37.7
493	■	■	■	**Colorado National Bankshares**	2,671	293	110	0.5	11.5	2.8
■	434	■	460	**Colt Industries**	1,021	1,642	307	75.0	126.5	17.5
271	269	274	346	**Columbia Gas System**	5,427	2,798	1,800	111.3	331.3	10.6
132	■	■	332	**Columbia Savings & Loan Assn**	11,235	1,230	135	119.3	131.1	0.9
486	254	391	■	**Combustion Engineering**	2,704	3,042	1,137	56.6	149.3	25.9
■	■	403	■	**Comcast**	1,047	309	1,096	–9.4	56.7	2.8
439	■	■	■	**Comdisco**	3,054	1,208	766	30.0	396.0	1.0
151	■	■	474	**Comerica**	10,116	946	603	71.4	90.3	5.9
284	■	■	■	**Commerce Bancshares**	5,269	452	304	40.1	54.0	3.9
■	■	399	■	**Commerce Clearing House**	522	551	1,105	52.8	74.3	6.5
339	■	463	■	**Commercial Credit**	4,306	912	938	18.3	18.3	4.0
246	■	■	■	**Commercial Federal**	5,999	502	55	18.0	24.6	1.0
76	129	68	23	**Commonwealth Edison**	20,280	5,674	5,802	1,085.8	1,829.1	17.9
■	■	381	■	**Community Psychiatric Centers**	408	285	1,182	60.0	69.0	5.0
■	■	254	314	**Compaq Computer**	901	1,224	1,892	136.3	158.7	3.1

■ Not on 500 list

Ranking The Forbes 500s

Where they rank: 1987										
Assets	Sales	Market value	Net profits	Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
■	■	185	446	**Computer Associates International**	785	605	2,520	79.2	131.1	2.2
452	66	245	290	**ConAgra**	2,928	9,272	1,977	147.4	228.0	42.2
165	142	93	64	**Consolidated Edison**	9,384	5,094	4,757	550.1	842.4	20.5
■	332	428	462	**Consolidated Freightways**	1,377	2,297	1,042	74.6	176.7	25.5
366	327	152	227	**Consolidated Natural Gas**	3,947	2,322	3,028	186.0	395.5	7.5
■	■	371	385	**Consolidated Papers**	804	743	1,226	95.8	138.6	4.4
220	238	252	151	**Consolidated Rail**	6,796	3,247	1,903	267.0	514.0	33.5
265	263	211	■	**Contel**	5,513	2,905	2,267	43.0	489.4	22.4
119	127	198	229	**Continental Corp**	12,151	5,801	2,350	184.7	228.0	17.4
34	271	■	■	**Continental Illinois**	32,391	2,788	323	–609.5	–569.2	9.6
499	226	476	■	**Control Data**	2,639	3,367	902	25.0	242.1	35.0
380	207	166	245	**Cooper Industries**	3,800	3,586	2,778	173.8	309.2	41.7
■	499	■	■	**Adolph Coors**	1,456	1,351	618	48.1	147.6	9.9
100	471	349	260	**CoreStates Financial**	15,036	1,449	1,316	162.3	197.0	7.7
494	357	229	222	**Corning Glass Works**	2,659	2,084	2,106	189.1	334.8	26.2
■	448	■	■	**Costco Wholesale**	426	1,548	201	4.5	11.6	4.5
420	148	148	112	**CPC International**	3,261	4,903	3,232	354.8	568.8	35.1
■	■	222	291	**Cray Research**	902	687	2,176	147.1	219.1	4.2
158	■	■	■	**Crestar Financial**	9,740	931	611	56.7	85.8	5.9
108	■	■	374	**CrossLand Savings FSB**	13,775	1,052	180	100.1	138.9	3.1
■	422	447	413	**Crown Cork & Seal**	1,058	1,718	999	88.3	144.8	12.4
110	81	99	88	**CSX**	13,231	8,043	4,527	432.0	976.0	49.5
423	■	■	■	**Cullen/Frost Bankers**	3,182	292	61	2.0	9.9	2.0
■	273	■	■	**Cummins Engine**	2,019	2,767	503	13.9	133.3	24.0
468	181	340	297	**Dana**	2,802	4,142	1,387	144.4	249.2	37.3
456	■	■	■	**Dauphin Deposit**	2,905	262	344	34.8	44.8	1.6
241	50	194	183	**Dayton Hudson**	6,076	10,677	2,370	228.4	460.8	130.5
443	■	■	■	**DCNY Corp**	3,029	277	149	30.1	30.1	0.4
■	459	■	■	**Dean Foods**	500	1,496	660	45.4	72.4	6.5
294	158	195	264	**Deere**	5,113	4,701	2,365	161.0	347.0	37.9
■	■	■	442	**Delmarva Power & Lt**	1,800	712	823	79.8	154.7	2.6
273	113	273	175	**Delta Air Lines**	5,403	6,351	1,806	232.6	561.1	52.6
■	■	235	286	**Deluxe Check Printers**	866	948	2,073	148.5	194.0	14.4
407	■	■	■	**Deposit Guaranty**	3,340	318	255	25.6	39.2	2.2
134	266	247	62	**Detroit Edison**	11,158	2,857	1,963	555.0	792.3	11.1
■	421	■	■	**Diamond Shamrock R&M**	825	1,741	209	9.5	43.7	3.9
164	52	12	14	**Digital Equipment**	9,424	10,391	17,247	1,284.3	1,750.2	102.6
■	336	■	401	**Dillard Department Stores**	1,498	2,206	795	91.2	154.7	28.0
137	■	■	486	**Dime Savings Bank of New York FSB**	10,944	924	370	69.5	76.5	3.8
376	261	47	79	**Walt Disney**	3,832	2,951	7,839	455.3	809.3	30.0
202	■	■	476	**Dominion Bankshares**	7,602	743	586	70.6	84.2	4.5
160	237	118	89	**Dominion Resources**	9,657	3,251	3,972	430.5	865.3	13.9
■	308	184	191	**RR Donnelley & Sons**	2,086	2,483	2,528	218.2	358.5	21.3
■	444	233	343	**Dover**	1,150	1,586	2,075	111.7	173.6	17.1
104	36	13	17	**Dow Chemical**	14,356	13,377	17,044	1,245.0	2,059.0	52.2
■	■	161	206	**Dow Jones**	1,943	1,314	2,877	203.0	292.7	8.0
426	■	■	■	**Downey Savings & Loan Assn**	3,177	266	124	33.2	38.3	1.1
■	■	452	407	**DPL**	2,250	938	975	89.5	146.7	2.7
431	241	261	426	**Dresser Industries**	3,139	3,204	1,858	84.4	193.3	35.3
■	■	438	384	**Dreyfus**	624	273	1,021	95.8	98.0	1.1
45	10	6	8	**EI du Pont de Nemours**	28,209	30,224	20,868	1,786.0	4,011.0	140.7
181	199	107	72	**Duke Power**	8,512	3,706	4,341	500.2	1,115.0	20.4

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Ranking The Forbes 500s

Where they rank: 1987										
Assets	Sales	Market value	Net profits	Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
411	229	43	98	**Dun & Bradstreet**	3,317	3,359	8,322	393.0	573.6	59.0
349	■	499	280	**Duquesne Light**	4,191	888	824	151.3	265.3	4.5
103	37	15	21	**Eastman Kodak**	14,446	13,305	15,880	1,178.0	2,173.0	122.9
444	247	243	207	**Eaton**	3,026	3,138	1,994	201.2	314.9	35.6
■	■	■	302	**Ecolab**	958	1,020	628	141.7	194.7	11.1
■	■	475	■	**EG&G**	515	1,236	922	55.5	76.7	22.8
307	114	45	74	**Emerson Electric**	4,911	6,318	7,951	482.8	704.2	68.7
■	313	352	357	**Emhart**	2,030	2,455	1,295	106.5	191.1	32.2
141	■	■	■	**Empire of America FSB**	10,856	1,001	39	[illegible].6	52.0	4.0
■	310	477	482	**Engelhard**	1,216	2,479	898	69.8	114.2	6.8
197	124	267	■	**Enron**	7,712	5,916	1,833	5.6	312.2	7.0
414	272	443	■	**Enserch**	3,300	2,770	1,006	31.5	174.0	17.0
429	■	■	■	**Equimark**	3,140	272	109	8.9	15.2	1.6
297	■	■	■	**Equitable Bancorporation**	5,061	473	272	40.7	47.6	3.0
337	295	215	219	**Ethyl***	4,326	2,579	2,235	193.3	288.6	10.3
11	2	2	2	**Exxon**	74,042	76,416	52,574	4,840.0	9,079.0	101.0
389	■	■	■	**Far West Financial**	3,578	370	82	21.8	26.1	0.8
398	■	■	■	**Farm & Home Savings Assn**	3,495	300	133	19.7	22.0	0.7
401	■	168	167	**Farmers Group**	3,462	1,133	2,752	246.7	278.7	15.5
472	210	231	249	**Federal Express**	2,788	3,522	2,095	170.9	432.2	46.3
3	55	191	105	**Federal National Mortgage Assn**	103,459	10,079	2,401	376.0	376.0	2.4
■	■	■	464	**Federal Paper Board**	1,183	1,026	769	74.0	126.8	5.8
236	45	155	129	**Federated Department Stores**	6,224	11,118	2,947	313.0	594.4	135.3
■	485	■	■	**Fieldcrest Cannon**	882	1,400	147	–3.7	28.2	23.3
360	■	■	■	**Fifth Third Bancorp**	4,051	383	681	60.1	66.8	2.4
32	259	■	■	**Financial Corp of America**	33,864	2,955	40	–468.0	–405.8	5.9
280	■	■	■	**Financial Corp of Santa Barbara**	5,347	484	28	2.8	18.3	0.9
161	194	322	109	**Fireman's Fund**	9,602	3,927	1,487	362.3	385.3	12.5
450	188	445	347	**Firestone Tire & Rubber**	2,936	3,997	1,002	111.0	270.0	54.3
332	■	■	■	**First Alabama Bancshares**	4,391	415	449	56.2	68.4	3.9
231	■	■	■	**First American**	6,494	574	433	48.9	62.9	3.7
500	■	■	■	**First Bancorporation of Ohio**	2,638	232	269	33.9	38.4	2.2
51	309	367	■	**First Bank System**	26,850	2,481	1,241	49.6	78.0	9.9
28	221	■	351	**First Boston**	36,148	3,405	795	108.9	143.7	5.0
481	■	■	■	**First Capital**	2,767	241	226	26.2	33.8	1.9
22	175	416	■	**First Chicago**	44,209	4,245	1,068	–570.7	–478.7	13.7
434	■	■	■	**First Citizens**	3,116	292	282	25.1	39.0	3.6
124	■	■	■	**First City Bancorporation of Texas**	11,781	1,162	13	–406.1	–378.4	7.4
460	■	■	■	**First Columbia Financial**	2,872	250	10	–11.1	–7.9	0.6
384	■	■	■	**First Commerce**	3,744	336	165	19.2	34.7	2.3
290	■	■	■	**First Empire State**	5,177	468	317	40.3	48.8	2.6
93	214	■	241	**First Executive**	16,403	3,482	701	177.8	177.8	1.1
123	■	■	■	**First Federal of Michigan**	11,883	1,178	99	36.7	47.2	2.1
42	321	■	419	**First Fidelity Bancorp**	28,850	2,414	NA	86.3	148.7	14.5
305	■	■	■	**First Florida Banks**	4,927	435	351	48.3	69.8	3.8
367	■	■	■	**First Hawaiian**	3,943	333	332	35.5	42.8	2.2
20	144	279	■	**First Interstate Bancorp**	50,927	5,080	1,780	–556.2	–418.5	36.3
292	■	■	■	**First Kentucky National**	5,132	512	488	29.2	39.6	4.8
262	■	■	■	**First Maryland Bancorp**	5,644	595	291	45.3	59.4	4.0
320	■	■	■	**First National Cincinnati**	4,533	410	468	41.5	52.5	2.7
175	■	■	451	**First of America Bank**	8,680	768	460	78.3	86.9	6.1
254	■	■	■	**First Pennsylvania**	5,804	537	328	–73.1	–62.3	3.6

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Ranking The Forbes 500s

Where they rank: 1987										
Assets	**Sales**	**Market value**	**Net profits**	**Company**	**Assets ($mil)**	**Sales ($mil)**	**Market value ($mil)**	**Net profits ($mil)**	**Cash flow ($mil)**	**Number employed (thou)**
33	320	■	■	**First RepublicBank**	33,211	2,420	123	–656.8	–583.8	12.2
295	■	■	■	**First Security**	5,074	482	256	27.0	36.7	4.2
256	■	■	■	**First Tennessee National**	5,762	559	335	32.9	53.5	4.4
48	288	225	143	**First Union**	27,629	2,626	2,153	283.1	378.0	19.8
328	■	■	■	**First Virginia Banks**	4,433	446	497	56.3	65.3	4.0
80	402	270	243	**First Wachovia**	19,342	1,796	1,816	176.6	223.9	13.1
209	■	■	■	**First Wisconsin**	7,257	705	422	–49.1	–26.5	5.8
55	300	■	228	**Fleet/Norstar Financial**	24,531	2,536	NA	185.1	303.4	17.3
■	489	■	■	**Fleetwood Enterprises**	502	1,381	398	45.8	55.8	10.0
■	72	■	■	**Fleming Cos**	1,342	8,608	727	49.5	97.4	18.9
■	■	494	■	**FlightSafety International**	391	130	834	41.8	56.8	1.5
267	■	■	■	**Florida Federal Savings & Loan Assn**	5,495	493	42	–34.2	–25.8	1.8
203	■	■	■	**Florida National Banks of Florida**	7,556	686	342	32.5	60.3	4.8
354	377	294	223	**Florida Progress**	4,132	1,958	1,672	187.8	363.1	8.1
■	185	409	■	**Fluor**	2,012	4,061	1,084	61.8	141.1	18.3
■	246	389	221	**FMC**	2,595	3,139	1,144	191.2	391.7	24.9
■	260	110	421	**Food Lion**	806	2,954	4,142	85.8	123.2	24.0
16	3	9	3	**Ford Motor***	61,090	73,145	18,558	4,625.2	7,792.6	350.3
■	417	201	271	**Fort Howard**	2,196	1,758	2,327	157.7	283.5	16.3
448	■	■	■	**Fortune Financial Group**	2,990	262	77	14.0	39.1	0.8
131	135	120	96	**FPL Group***	11,257	5,469	3,722	402.9	900.9	19.4
427	456	282	166	**Freeport-McMoRan**	3,155	1,514	1,726	248.8	459.6	3.8
■	■	364	375	**GAF**	1,298	837	1,247	100.1	117.8	4.4
397	251	56	124	**Gannett**	3,510	3,079	6,337	319.4	480.5	32.5
■	■	■	484	**Gap**	434	1,062	726	69.6	94.5	13.9
463	445	277	259	**Geico**	2,846	1,580	1,790	163.0	174.0	6.2
■	438	■	77	**GenCorp**	1,108	1,619	706	475.0	533.0	14.2
■	■	143	■	**Genentech**	619	219	3,307	42.2	65.7	1.3
■	496	348	435	**General Cinema**	1,975	1,356	1,325	81.6	144.6	14.1
299	65	237	85	**General Dynamics**	5,032	9,344	2,044	437.3	757.8	105.4
26	7	3	5	**General Electric**	38,920	39,315	39,843	2,119.0	3,663.0	330.5
■	■	436	■	**General Instrument**	1,062	1,104	1,023	–43.7	20.5	18.4
■	133	104	164	**General Mills**	2,566	5,549	4,392	249.8	393.8	63.8
6	1	6	4	**General Motors**	87,241	101,782	19,056	3,550.9	9,662.9	813.0
235	283	278	156	**General Public Utilities**	6,279	2,673	1,784	259.1	550.3	13.9
163	218	75	73	**General Re**	9,438	3,448	5,467	489.6	490.4	2.4
■	441	353	488	**General Signal**	1,397	1,603	1,291	69.4	132.6	19.7
■	291	169	287	**Genuine Parts**	1,027	2,606	2,713	148.3	169.9	14.3
■	■	■	400	**Georgia Gulf**	309	707	727	91.7	103.9	1.0
251	73	129	78	**Georgia-Pacific**	5,870	8,603	3,613	458.0	845.0	40.5
■	280	424	500	**Giant Food**	855	2,697	1,047	63.4	115.4	22.5
101	■	■	■	**Gibraltar Financial**	14,983	1,116	72	–131.0	–109.5	2.7
484	244	146	180	**Gillette**	2,731	3,167	3,273	229.9	355.0	31.1
61	351	■	307	**GlenFed**	23,206	2,123	636	140.2	190.4	8.0
■	■	■	311	**Golden Nugget**	545	194	235	137.5	155.5	3.0
116	■	■	279	**Golden West Financial**	12,836	1,274	783	151.6	176.3	2.7
98	478	■	■	**Goldome**	15,153	1,425	88	0.3	31.3	5.1
■	341	439	447	**BF Goodrich**	1,939	2,168	1,018	79.2	166.6	11.9
187	56	140	37	**Goodyear Tire & Rubber**	8,396	9,905	3,419	770.9	1,120.8	114.7
325	165	239	265	**WR Grace**	4,474	4,515	2,019	160.5	389.4	40.0
■	■	299	403	**WW Grainger**	832	1,321	1,628	90.5	113.2	5.9
95	480	■	415	**Great American First Savings**	15,242	1,419	300	87.9	99.6	3.6

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Ranking The Forbes 500s

Where they rank: 1987										
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■	62	334	366	**Great Atlantic & Pacific Tea**	2,240	9,532	1,430	103.4	235.1	70.8
430	■	■	■	**Great Lakes Bancorp FSB**	3,139	305	57	20.2	28.6	0.9
■	■	462	■	**Great Lakes Chemical**	577	478	939	55.5	85.1	2.3
394	294	181	210	**Great Northern Nekoosa**	3,539	2,589	2,550	200.6	342.5	16.3
44	190	253	193	**Great Western Financial**	28,631	3,969	1,900	210.1	250.7	12.0
477	■	■	■	**Greater New York Savings Bank**	2,776	227	85	13.8	15.9	0.6
289	303	456	■	**Greyhound***	5,180	2,501	963	31.3	100.6	29.7
■	233	■	■	**Grumman**	2,255	3,325	563	0.7	104.2	33.6
43	29	29	22	**GTE**	28,745	15,421	11,516	1,118.8	3,592.5	161.0
97	155	109	113	**Gulf & Western***	15,185	4,775	4,207	349.9	923.2	20.7
224	475	■	169	**Gulf States Utilities**	6,677	1,433	513	241.1	428.6	4.8
418	225	174	■	**Halliburton**	3,271	3,373	2,606	48.1	261.6	47.7
■	484	■	345	**Hanover Insurance Cos**	2,299	1,411	480	111.7	111.7	5.1
455	453	■	430	**Harcourt Brace Jovanovich***	2,909	1,518	421	83.4	195.7	14.5
■	356	430	396	**Harris Corp**	1,709	2,084	1,032	92.2	228.3	25.5
385	143	84	102	**HJ Heinz**	3,733	5,088	5,127	378.5	488.3	48.0
269	211	271	■	**Henley Group**	5,483	3,516	1,816	–278.0	–158.0	19.5
399	281	203	36	**Hercules**	3,492	2,693	2,293	820.7	955.1	24.1
■	317	220	288	**Hershey Foods**	1,645	2,434	2,210	148.2	218.8	16.1
208	74	16	42	**Hewlett-Packard**	7,281	8,542	14,770	707.0	1,053.0	82.0
312	■	■	■	**Hibernia**	4,847	464	382	46.5	54.7	2.3
■	■	466	■	**Hillenbrand Industries**	660	725	936	57.4	111.8	7.1
■	457	■	■	**Hills Department Stores**	879	1,514	124	20.2	41.3	20.0
■	■	281	308	**Hilton Hotels**	1,424	815	1,738	139.9	196.0	35.0
■	■	230	170	**Himont**	1,761	1,278	2,102	240.3	280.2	2.8
■	431	■	336	**Holiday**	2,399	1,663	656	114.8	276.5	43.9
■	452	■	■	**Holly Farms**	703	1,524	471	43.4	74.4	12.8
■	469	473	■	**Home Depot**	528	1,454	924	54.1	64.9	7.9
105	■	■	373	**Home Federal Savings & Loan**	14,109	1,258	436	100.3	127.9	3.9
233	304	■	247	**Home Group**	6,440	2,495	410	172.2	172.2	7.0
■	■	284	292	**Homestake Mining**	915	306	1,715	146.4	203.1	2.0
264	■	■	■	**Homestead Financial**	5,513	510	69	24.7	52.5	1.0
283	108	204	158	**Honeywell**	5,285	6,679	2,291	253.7	574.4	78.5
374	■	■	■	**Horizon Bancorp**	3,875	370	485	44.5	51.0	2.9
■	318	■	■	**Geo A Hormel**	704	2,428	824	53.7	87.7	7.4
238	159	179	■	**Hospital Corp of America**	6,183	4,676	2,566	–58.4	226.6	76.0
89	219	339	187	**Household International**	16,986	3,441	1,387	221.5	276.4	21.7
159	205	135	87	**Houston Industries**	9,728	3,628	3,530	435.0	731.0	11.7
309	■	■	■	**Howard Savings Bank**	4,881	424	286	34.9	41.3	2.2
■	■	500	■	**Hubbell**	469	581	824	62.5	76.6	5.4
416	252	257	220	**Humana**	3,296	3,064	1,880	192.7	375.0	45.9
172	■	■	■	**Huntington Bancshares**	8,836	784	578	47.8	69.0	5.1
310	187	136	159	**IC Industries**	4,871	4,027	3,525	251.7	366.2	32.9
173	322	■	303	**ICH**	8,715	2,412	405	141.6	178.7	5.5
249	■	301	140	**Illinois Power**	5,923	1,220	1,620	289.6	465.6	4.6
■	423	286	358	**Illinois Tool Works**	1,285	1,698	1,709	106.2	164.0	13.7
139	■	■	■	**Imperial Corp of America**	10,875	1,078	108	50.5	77.5	2.3
■	■	365	■	**IMS International**	447	429	1,244	59.6	81.5	5.0
457	■	■	■	**Independence Bancorp**	2,903	249	230	26.8	30.0	1.3
270	■	■	■	**Indiana National**	5,459	476	405	27.1	35.6	2.9
■	285	265	355	**Ingersoll-Rand**	2,248	2,648	1,836	107.9	180.6	29.7
497	217	441	344	**Inland Steel Industries**	2,651	3,453	1,011	111.7	235.1	20.7

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Ranking The Forbes 500s

Where they rank: 1987										
Assets	Sales	Market value	Net profits	Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
244	■	■	■	**Integrated Resources**	6,050	1,078	128	53.4	61.9	3.2
■	388	101	244	**Intel**	2,597	1,907	4,461	175.5	346.9	18.7
■	242	382	310	**Interco**	2,021	3,200	1,182	139.4	196.6	46.5
■	■	337	481	**Intergraph**	704	641	1,395	69.9	97.4	6.0
15	4	1	1	**International Business Machines**	63,688	54,217	68,960	5,258.0	9,648.0	396.4
■	■	293	356	**International Flavors & Fragrances**	875	746	1,678	107.0	127.8	4.0
■	400	362	398	**International Minerals & Chemical**	2,384	1,802	1,254	92.0	227.2	13.4
■	439	■	499	**International Multifoods**	818	1,617	389	63.7	85.9	9.0
174	85	95	95	**International Paper**	8,710	7,763	4,709	407.0	805.0	44.8
■	■	■	408	**Ipalco Enterprises**	1,738	554	798	89.3	155.2	2.3
56	344	■	■	**Irving Bank**	23,534	2,166	802	–193.3	–150.8	10.3
25	18	62	24	**ITT***	39,983	19,525	6,045	1,084.9	1,568.5	121.5
311	149	250	215	**James River Corp of Virginia**	4,861	4,894	1,928	195.8	403.9	36.0
371	■	429	289	**Jefferson-Pilot**	3,890	1,052	1,038	147.7	151.6	5.3
■	■	451	399	**Jefferson Smurfit**	691	1,099	976	92.0	125.0	7.8
228	82	23	33	**Johnson & Johnson**	6,546	8,012	12,886	883.0	1,239.0	77.7
■	267	471	381	**Johnson Controls**	1,728	2,807	929	96.6	196.4	26.9
■	■	■	423	**Jostens**	370	572	639	85.3	92.2	8.0
135	14	65	44	**K mart**	11,106	25,864	5,952	692.2	1,093.2	325.0
■	372	■	■	**KaiserTech**	2,592	1,987	504	–362.0	–273.3	12.5
489	■	■	364	**Kansas City Power & Light**	2,691	705	774	104.0	201.0	2.8
■	■	■	378	**Kansas Gas & Electric**	2,612	512	746	97.4	181.6	1.3
■	■	■	410	**Kansas Power & Light**	1,730	1,166	782	88.7	156.5	4.5
275	454	■	■	**Kaufman & Broad**	5,385	1,518	445	57.3	64.8	2.4
491	196	54	97	**Kellogg**	2,681	3,793	6,463	395.9	509.0	17.6
■	■	465	■	**Kelly Services**	262	1,161	936	50.5	56.8	83.0
144	201	379	186	**Kemper**	10,744	3,663	1,194	221.7	221.7	16.8
■	■	■	467	**Kentucky Utilities**	1,311	553	676	73.7	123.6	2.1
437	290	280	427	**Kerr-McGee**	3,071	2,608	1,749	84.0	385.0	7.5
127	■	■	441	**KeyCorp**	11,596	1,091	725	80.0	113.4	8.6
372	150	116	123	**Kimberly-Clark**	3,886	4,885	4,009	325.2	511.2	36.9
■	360	207	274	**Knight-Ridder**	1,985	2,073	2,282	155.2	254.8	24.0
■	455	480	■	**Koppers**	1,075	1,516	885	10.8	84.4	10.8
268	57	60	83	**Kraft**	5,487	9,876	6,182	444.2	592.2	46.5
326	21	248	232	**Kroger**	4,460	17,660	1,945	183.3	406.3	167.5
■	■	■	471	**Lafarge**	1,054	1,221	525	71.7	135.6	6.1
287	204	33	48	**Eli Lilly**	5,255	3,644	10,871	643.7	828.0	25.6
■	209	147	172	**Limited**	1,588	3,528	3,266	235.2	340.4	46.6
■	■	212	417	**LIN Broadcasting**	536	237	2,266	87.5	103.2	1.4
87	102	290	171	**Lincoln National**	18,004	6,960	1,689	236.9	271.3	14.2
303	156	266	281	**Litton Industries**	4,965	4,736	1,835	151.0	320.8	54.9
■	■	333	338	**Liz Claiborne**	482	1,053	1,438	114.4	120.3	3.2
234	43	224	92	**Lockheed**	6,301	11,321	2,154	421.0	774.0	98.1
67	68	85	43	**Loews**	22,209	8,957	5,091	696.2	766.2	23.4
229	■	■	■	**Lomas & Nettleton Financial**	6,524	966	493	26.5	96.5	4.2
168	361	■	148	**Long Island Lighting**	9,324	2,072	792	269.9	354.6	6.3
■	409	■	■	**Longs Drug Stores**	474	1,772	624	49.2	63.5	12.0
■	■	■	490	**Longview Fibre**	546	574	521	67.5	97.3	3.3
■	■	■	485	**Loral**	1,476	1,243	794	69.6	131.5	12.9
■	■	343	470	**Lotus Development**	318	396	1,351	72.0	100.0	1.8
■	■	417	■	**Louisiana Land & Exploration**	1,607	784	1,066	24.8	252.1	0.8
■	383	434	326	**Louisiana-Pacific**	1,971	1,922	1,025	125.0	272.5	13.7

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Ranking The Forbes 500s

Where they rank: 1987 Assets	Sales	Market value	Net profits	Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
■	■	■	457	Louisville Gas & Electric	1,665	631	607	76.2	124.2	4.0
■	314	■	■	Lowe's Cos	1,027	2,442	635	56.0	94.5	14.8
260	91	■	70	LTV	5,706	7,582	252	502.6	753.0	48.3
■	■	356	438	Lubrizol	939	1,022	1,281	81.3	134.4	4.8
■	103	440	294	Lucky Stores	1,301	6,925	1,018	145.8	239.1	41.5
■	391	■	■	Mack Trucks	1,011	1,858	349	3.8	31.8	10.2
■	■	330	475	Macmillan	935	956	1,449	70.7	113.7	9.0
12	86	421	■	Manufacturers Hanover	73,348	7,757	1,055	−1,140.2	−957.3	29.7
169	■	■	■	Manufacturers National	9,077	800	553	6.6	22.3	5.1
483	364	■	258	Manville	2,753	2,063	54	164.1	256.6	19.0
■	435	458	■	Mapco	1,365	1,637	961	57.3	145.7	5.0
■	■	123	325	Marion Laboratories	446	695	3,673	125.2	145.2	2.8
279	111	133	185	Marriott	5,371	6,522	3,564	223.0	390.1	202.8
■	349	126	134	Marsh & McLennan Cos	1,634	2,147	3,656	302.1	372.2	21.3
263	■	■	■	Marshall & Ilsley	5,556	558	491	57.9	75.9	4.9
471	140	217	179	Martin Marietta	2,794	5,165	2,222	230.7	404.0	70.0
462	366	163	189	Masco	2,850	2,023	2,867	218.8	282.1	2[illegible]1
■	463	482	■	Masco Industries	1,793	1,470	878	45.2	118.5	14.5
■	395	■	■	Maxicare Health Plans	1,168	1,839	117	−60.9	−26.4	6.2
239	53	106	84	May Department Stores	6,181	10,314	4,377	444.0	714.0	147.4
■	386	285	277	Maytag	855	1,909	1,711	152.7	189.3	12.6
■	■	■	463	MBIA	1,159	135	482	74.3	78.3	0.2
395	293	186	313	MCA	3,535	2,590	2,509	137.3	886.5	16.4
■	■	272	■	McCaw Cellular Communications	1,016	150	1,807	−13.4	47.3	0.8
214	152	44	65	McDonald's	6,982	4,853	8,310	549.1	887.5	159.0
179	38	202	128	McDonnell Douglas	8,536	13,146	2,304	313.0	832.7	109.0
■	418	200	257	McGraw-Hill	1,638	1,751	2,327	164.8	230.3	15.6
276	193	172	424	MCI Communications	5,380	3,939	2,681	85.0	603.0	13.9
■	100	404	409	McKesson	2,290	7,112	1,094	88.7	147.3	17.1
77	408	■	■	MCorp	20,228	1,774	101	−258.3	−225.3	10.9
453	177	227	190	Mead	2,917	4,209	2,127	218.2	386.4	20.6
■	■	435	■	Media General	829	715	1,023	42.9	86.0	7.6
■	■	368	429	Medtronic	590	608	1,240	83.6	111.2	4.9
36	234	■	■	Mellon Bank	30,525	3,321	760	−844.0	−777.0	16.7
■	123	160	142	Melville	2,231	5,930	2,881	285.4	361.4	85.5
223	■	■	■	Mercantile Bancorporation	6,766	670	307	−24.5	−11.1	4.7
408	■	■	■	Mercantile Bankshares	3,329	314	426	46.1	52.8	2.4
■	348	342	319	Mercantile Stores	1,345	2,156	1,363	129.6	176.7	22.0
348	■	■	■	Merchants National	4,200	387	271	17.1	30.4	2.7
261	145	6	32	Merck	5,680	5,061	20,816	906.4	1,116.4	30.9
188	■	■	444	Meridian Bancorp	8,389	883	626	79.5	98.5	6.2
83	404	■	■	Meritor Financial Group	19,016	1,787	171	−396.4	19.5	5.4
18	51	205	99	Merrill Lynch	55,193	10,65[illegible]	2,291	390.6	641.0	45.3
■	394	■	■	Fred Meyer	627	1,848	235	32.0	62.3	14.6
183	■	■	465	Michigan National	8,481	908	618	73.9	98.7	6.7
■	■	159	393	Microsoft	412	457	2,888	92.9	104.8	1.5
94	216	291	90	Middle South Utilities	15,292	3,455	1,688	429.5	813.9	13.7
88	450	359	262	Midlantic	17,792	1,543	1,261	161.5	196.4	10.7
■	■	426	■	Millipore	480	529	1,047	47.7	69.8	5.0
192	63	18	30	Minnesota Mining & Manufacturing	8,031	9,429	14,645	918.0	1,482.0	82.1
■	■	■	480	Minnesota Power	1,412	426	580	70.0	108.8	2.0

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Ranking The Forbes 500s

Where they rank: 1987										
Assets	Sales	Market value	Net profits	Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
92	442	432	285	**MNC Financial**	16,658	1,598	1,029	148.8	180.6	7.7
24	5	14	16	**Mobil**	41,140	51,223	16,094	1,258.0	3,804.0	124.0
■	■	468	■	**Molex**	466	226	931	50.2	98.1	4.7
285	371	■	■	**Monarch Capital**	5,261	1,992	301	44.1	47.2	2.1
184	89	61	86	**Monsanto**	8,455	7,639	6,150	436.0	1,115.0	50.7
396	■	■	■	**Moore Financial Group**	3,519	319	187	16.9	23.8	2.5
9	105	53	431	**JP Morgan**	75,414	6,834	6,530	83.3	187.3	15.1
39	245	357	178	**Morgan Stanley Group**	29,663	3,148	1,274	230.9	251.4	5.9
■	392	■	■	**Morrison-Knudsen**	898	1,857	360	–59.5	–22.9	15.1
■	343	256	278	**Morton Thiokol**	1,794	2,166	1,883	152.5	238.9	18.8
281	107	55	130	**Motorola**	5,321	6,707	6,432	308.0	802.0	96.1
■	462	■	■	**Murphy Oil**	2,067	1,474	779	–43.6	179.0	4.3
■	■	351	440	**Nalco Chemical**	747	842	1,297	80.3	123.8	5.0
■	385	■	■	**Nash Finch**	352	1,919	201	18.5	36.9	8.7
470	■	■	■	**National Bancshares Corp of Texas**	2,797	277	27	–64.0	–53.2	1.9
102	465	376	380	**National City**	14,912	1,468	1,198	96.9	123.4	9.0
428	■	■	■	**National Community Bank**	3,153	249	373	34.5	39.5	1.9
■	191	■	■	**National Intergroup**	2,013	3,960	259	–10.6	45.5	7.2
410	257	344	434	**National Medical Enterprises**	3,321	2,987	1,351	81.8	217.3	71.0
■	362	354	■	**National Semiconductor**	1,785	2,068	1,290	–0.6	160.4	30.0
■	■	425	449	**National Service Industries**	768	1,344	1,047	78.5	107.8	19.4
■	203	415	242	**Navistar International**	1,944	3,647	1,069	176.9	220.2	15.0
59	374	311	261	**NBD Bancorp**	23,354	1,968	1,543	162.2	195.7	11.8
41	312	327	255	**NCNB**	28,915	2,461	1,458	166.9	243.5	12.2
350	131	77	93	**NCR**	4,187	5,641	5,313	419.3	713.6	62.0
363	472	363	253	**New England Electric System**	3,989	1,448	1,253	168.8	353.4	5.2
323	■	385	■	**New York State Electric & Gas**	4,487	1,290	1,163	52.3	163.0	4.5
■	424	182	266	**New York Times**	1,712	1,690	2,542	160.3	241.9	10.3
■	■	193	116	**Newmont Mining**	1,964	514	2,373	339.7	410.0	2.2
221	289	309	■	**Niagara Mohawk Power**	6,794	2,623	1,547	57.8	244.2	11.1
■	474	■	428	**Nicor**	2,000	1,436	688	83.7	183.7	4.1
379	470	■	493	**Nipsco Industries**	3,817	1,452	623	65.0	208.7	5.4
■	384	304	394	**Nordstrom**	1,234	1,920	1,606	92.7	142.8	21.0
157	183	89	246	**Norfolk Southern**	9,832	4,113	4,936	172.4	474.2	36.0
438	■	■	■	**Northeast Bancorp**	3,056	281	295	30.2	38.0	1.6
206	■	■	■	**Northeast Savings FA**	7,368	601	68	10.3	43.2	1.7
225	359	221	182	**Northeast Utilities**	6,627	2,081	2,201	229.1	423.8	9.3
331	410	262	202	**Northern States Power**	4,401	1,770	1,853	204.9	449.0	8.1
167	■	■	■	**Northern Trust**	9,326	834	541	–65.1	–43.4	5.1
432	119	378	390	**Northrop**	3,124	6,053	1,194	94.2	341.0	47.5
319	■	■	■	**Northwestern National Life Insurance Co**	4,561	1,305	256	38.0	38.0	2.9
■	■	459	■	**Norton**	1,038	1,261	960	61.6	103.9	15.4
74	331	405	■	**Norwest**	20,747	2,298	1,094	–29.8	19.1	15.2
■	■	486	■	**Noxell**	294	489	859	43.6	51.6	2.0
■	■	492	■	**Nucor**	654	851	840	50.5	92.3	4.5
347	141	420	368	**NWA**	4,219	5,142	1,059	103.0	443.3	33.6
64	40	22	15	**Nynex**	22,786	12,084	12,946	1,276.5	3,307.3	92.8
91	24	82	231	**Occidental Petroleum**	16,739	17,096	5,208	184.0	1,092.0	50.8
■	■	408	■	**Ogden**	947	858	1,086	54.0	71.9	37.8
490	446	■	469	**Ohio Casualty**	2,682	1,575	801	72.6	78.6	5.9
194	407	151	94	**Ohio Edison**	7,907	1,780	3,067	412.9	612.2	7.3

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Where they rank: 1987										
Assets	Sales	Market value	Net profits	Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
■	■	369	339	**Oklahoma Gas & Electric**	2,455	1,065	1,238	114.0	209.9	4.0
232	■	■	■	**Old Kent Financial**	6,455	536	409	63.4	75.4	4.0
469	■	■	369	**Old Republic International**	2,798	1,095	326	102.8	102.8	4.7
329	■	■	■	**Old Stone**	4,425	444	129	13.3	24.3	2.2
■	381	474	453	**Olin**	1,685	1,930	924	78.0	196.0	13.7
■	■	487	■	**Oracle Systems**	175	187	858	23.3	31.9	0.8
■	490	■	■	**Outboard Marine**	1,068	1,380	419	55.7	112.2	10.4
■	265	■	188	**Owens-Corning Fiberglas**	1,590	2,891	655	220.5	341.5	18.8
■	319	437	342	**Paccar**	1,300	2,424	1,022	112.5	139.6	9.4
301	138	154	161	**Pacific Enterprises**	5,027	5,339	2,958	251.2	483.9	27.3
322	■	■	■	**Pacific First Financial**	4,509	467	87	28.2	35.4	1.3
68	96	57	53	**Pacific Gas & Electric**	21,734	7,186	6,310	597.2	1,472.4	28.3
73	67	30	28	**Pacific Telesis Group**	21,056	9,131	11,372	950.0	2,657.5	73.4
258	345	214	153	**PacifiCorp**	5,726	2,163	2,239	266.3	534.0	11.3
112	315	■	461	**PaineWebber Group**	12,956	2,437	417	74.6	96.4	12.7
■	■	457	■	**Pall**	573	403	962	48.9	68.6	5.2
■	206	■	■	**Pan Am**	2,338	3,593	383	–265.3	–121.4	21.6
440	447	396	353	**Panhandle Eastern**	3,045	1,563	1,116	108.2	222.9	4.0
■	369	295	395	**Parker-Hannifin**	1,498	2,014	1,666	92.2	167.5	27.1
■	411	■	■	**Payless Cashways**	815	1,768	387	28.1	63.9	14.5
■	479	319	■	**Penn Central**	2,493	1,421	1,490	36.2	85.8	20.0
421	■	■	■	**Pennbancorp**	3,228	310	264	33.1	40.5	2.2
142	31	64	52	**JC Penney**	10,842	15,332	6,012	608.0	849.0	178.5
210	355	188	133	**Pennsylvania Power & Light**	7,195	2,089	2,474	302.5	559.8	8.3
413	405	157	■	**Pennzoil**	3,305	1,786	2,929	44.3	312.9	6.2
171	42	41	55	**PepsiCo**	9,023	11,485	8,691	594.8	1,157.8	219.5
■	491	422	■	**Perkin-Elmer**	1,449	1,378	1,054	–9.5	51.2	14.4
314	■	■	■	**Perpetual Savings Bank FSB**	4,783	448	124	28.9	42.7	1.5
217	147	48	45	**Pfizer**	6,923	4,920	7,669	690.2	852.2	40.4
■	440	331	282	**Phelps Dodge**	2,250	1,612	1,446	150.6	231.3	8.7
362	449	■	■	**PHH Group**	3,993	1,545	475	43.7	526.8	4.2
133	243	128	66	**Philadelphia Electric**	11,210	3,181	3,642	542.4	880.0	11.2
81	15	8	7	**Philip Morris Cos**	19,145	22,279	20,202	1,842.0	2,546.0	112.0
120	48	149	■	**Phillips Petroleum**	12,111	10,721	3,197	35.0	957.0	22.2
346	116	153	194	**Pillsbury**	4,235	6,198	3,007	209.4	442.5	106.5
114	382	192	149	**Pinnacle West Capital***	12,908	1,928	2,389	268.4	462.3	11.9
■	■	446	■	**Pioneer Hi-Bred International**	963	846	1,001	52.3	100.9	5.1
■	335	158	212	**Pitney Bowes**	2,432	2,251	2,921	199.4	342.4	29.3
35	282	183	203	**PNC Financial**	31,433	2,678	2,532	204.8	204.8	11.7
■	412	325	334	**Polaroid**	1,625	1,764	1,463	116.1	191.8	14.2
■	■	449	454	**Portland General**	2,556	764	980	78.0	188.5	3.1
■	■	■	416	**Potlatch**	1,307	992	759	87.6	152.7	7.5
406	■	236	198	**Potomac Electric Power**	3,345	1,332	2,066	208.2	324.1	5.5
302	139	124	104	**PPG Industries**	4,988	5,183	3,673	377.1	659.6	36.8
■	338	■	473	**Premark International**	1,586	2,197	752	71.5	142.0	22.4
336	■	■	■	**Premier Bancorp**	4,349	445	172	–18.4	4.9	3.2
■	■	373	■	**Premier Industrial**	334	487	1,218	56.0	61.7	3.7
■	212	305	436	**Price Co**	961	3,487	1,606	81.4	93.0	8.3
■	■	■	495	**Prime Computer**	1,335	961	741	64.8	145.6	8.7
■	■	444	■	**Prime Motor Inns**	707	254	1,005	59.6	71.8	8.0
111	197	370	213	**Primerica**	13,217	3,762	1,233	198.6	254.3	24.8

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Ranking The Forbes 500s

Where they rank: 1987										
Assets	Sales	Market value	Net profits	Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
96	19	19	75	**Procter & Gamble**	15,187	17,892	14,451	481.0	1,139.0	73.9
■	■	483	406	**Progressive**	1,786	1,000	877	89.8	100.1	5.3
162	302	■	391	**Provident Life & Accident**	9,455	2,515	584	93.9	125.6	5.5
451	433	419	298	**Public Service Co of Colorado**	2,934	1,657	1,062	143.7	266.4	6.5
■	■	■	295	**Public Service Co of Indiana**	2,207	1,070	633	145.3	233.3	4.1
498	■	■	■	**Public Service Co of New Hampshire**	2,639	549	93	–87.0	–55.6	2.6
466	■	■	386	**Public Service Co of New Mexico**	2,815	690	783	95.4	180.8	3.8
140	176	90	69	**Public Svc Enterprise Group**	10,858	4,211	4,903	520.5	1,018.7	13.6
393	■	■	■	**Puget Sound Bancorp**	3,543	356	287	18.6	28.1	2.3
■	■	442	330	**Puget Sound Power & Light**	2,452	729	1,006	120.4	215.1	2.4
475	151	142	195	**Quaker Oats**	2,779	4,872	3,326	209.2	333.1	30.5
■	297	223	160	**Quantum Chemical**	2,581	2,567	2,156	251.6	406.7	12.3
377	125	103	110	**Ralston Purina**	3,832	5,913	4,406	359.9	603.4	58.9
■	■	303	405	**Raychem**	1,042	1,016	1,607	89.8	149.8	9.9
357	87	100	82	**Raytheon**	4,062	7,659	4,510	445.1	681.6	75.8
■	486	377	256	**Reebok International**	868	1,389	1,196	165.2	171.0	1.3
211	228	■	323	**Reliance Group Holdings**	7,180	3,363	431	125.9	144.6	9.5
66	430	347	■	**Republic New York**	22,388	1,665	1,329	33.0	54.6	3.3
338	173	180	209	**Reynolds Metals**	4,314	4,284	2,566	200.7	370.6	27.1
222	■	■	■	**Riggs National**	6,788	479	268	1.0	11.8	2.1
■	334	320	316	**Rite Aid**	1,246	2,273	1,488	133.8	178.1	24.2
90	28	31	13	**RJR Nabisco**	16,861	15,766	11,131	1,289.0	1,941.0	121.4
■	387	355	■	**Roadway Services**	1,105	1,909	1,287	50.5	166.0	26.8
417	■	■	■	**Rochester Community Savings Bank**	3,272	298	128	15.3	20.3	1.3
178	41	80	47	**Rockwell International**	8,600	11,936	5,231	678.6	1,277.8	118.7
■	337	228	217	**Rohm & Haas**	1,954	2,203	2,110	195.5	314.5	12.0
■	■	496	■	**Rollins Environmental Services**	179	185	828	31.3	38.9	0.7
216	■	■	■	**LF Rothschild Holdings**	6,936	461	57	–129.1	–125.4	1.6
■	■	470	■	**Rouse**	1,741	388	930	10.6	39.8	3.9
■	■	269	425	**Rubbermaid**	716	1,015	1,827	84.5	132.0	6.9
255	163	232	224	**Ryder System**	5,771	4,609	2,082	187.1	728.8	38.1
226	292	259	177	**Safeco**	6,615	2,592	1,863	231.4	231.4	8.6
■	■	412	■	**Safety-Kleen**	302	334	1,077	35.1	57.4	3.6
465	■	■	■	**St Paul Bancorp**	2,822	244	113	20.2	22.6	1.8
186	227	226	126	**St Paul Cos**	8,399	3,366	2,130	318.8	341.7	10.4
10	121	177	300	**Salomon**	74,747	6,003	2,581	142.0	182.0	7.9
388	389	297	240	**San Diego Gas & Electric**	3,601	1,904	1,662	179.1	357.6	4.7
454	■	■	■	**San Francisco Federal Savings & Loan**	2,912	264	82	20.0	22.4	0.9
125	136	49	106	**Santa Fe Southern Pacific**	11,762	5,448	7,175	373.5	913.5	51.1
298	60	119	138	**Sara Lee**	5,042	9,671	3,867	294.9	474.1	89.7
488	■	387	320	**Scana**	2,702	1,116	1,148	128.9	238.6	4.0
424	279	78	127	**Schering-Plough**	3,180	2,699	5,260	316.4	405.9	22.6
324	182	178	174	**Scott Paper***	4,481	4,122	2,577	233.8	492.5	25.2
■	■	■	335	**Seagate Technology**	989	1,076	726	115.3	146.4	12.5
356	■	■	■	**Seamen's**	4,124	368	77	18.7	34.8	0.5
8	6	25	10	**Sears, Roebuck**	76,321	48,440	12,680	1,498.9	2,045.9	493.2
13	90	167	■	**Security Pacific**	72,838	7,618	2,776	15.7	182.5	43.0
■	■	423	■	**Service Corp International**	1,041	527	1,047	61.4	87.5	8.7
■	278	■	■	**Service Merchandise**	1,553	2,719	117	24.9	81.1	22.5
52	325	317	269	**Shawmut National**	26,477	2,341	1,497	158.9	233.3	15.0
■	403	418	382	**Sherwin-Williams**	1,140	1,793	1,066	96.6	125.5	14.8

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Ranking The Forbes 500s

Where they rank: 1987										
Assets	Sales	Market value	Net profits	Company	Assets ($mil)	Sales ($mil)	Market value ($mil)	Net profits ($mil)	Cash flow ($mil)	Number employed (thou)
■	■	402	■	**Sigma-Aldrich**	267	305	1,096	41.9	51.9	2.8
145	■	■	■	**Signet Banking**	10,724	1,035	594	23.5	45.6	5.9
327	171	63	60	**SmithKline Beckman**	4,446	4,329	6,032	570.1	769.9	35.0
■	■	329	411	**Snap-on Tools**	616	754	1,449	88.6	105.2	6.8
170	■	■	402	**Society**	9,077	877	716	90.9	113.1	6.1
391	■	■	■	**Society for Savings**	3,558	368	144	29.9	37.2	1.2
435	481	472	361	**Sonat**	3,115	1,418	929	105.0	246.7	4.4
■	■	469	■	**Sonoco Products**	878	1,312	930	61.5	118.6	13.0
306	■	■	■	**South Carolina National**	4,918	489	407	52.9	66.4	3.9
115	■	■	■	**Southeast Banking**	12,842	1,164	553	38.4	81.1	7.5
99	134	51	39	**Southern California Edison**	15,077	5,493	6,622	720.6	1,409.2	17.3
70	101	52	63	**Southern Company**	21,499	7,010	6,610	554.4	1,277.0	31.8
480	464	336	309	**Southern New England Telecommunications**	2,769	1,470	1,397	139.7	346.0	13.7
196	365	■	420	**Southmark***	7,781	2,059	208	86.2	138.4	27.0
248	■	■	■	**SouthTrust**	5,924	505	454	60.4	71.4	3.6
425	■	■	■	**Southwest Gas***	3,179	661	371	39.7	72.9	2.7
69	83	35	25	**Southwestern Bell**	21,500	8,003	10,328	1,047.1	2,696.6	67.3
■	■	455	363	**Southwestern Public Service**	1,640	776	967	104.1	158.8	2.2
72	367	242	192	**Sovran Financial**	21,233	2,019	1,996	217.4	282.7	14.0
■	432	■	■	**Springs Industries**	1,084	1,661	533	55.7	113.6	23.3
■	460	332	349	**Square D**	1,193	1,484	1,445	110.0	170.5	20.2
474	347	59	111	**Squibb**	2,782	2,157	6,285	358.4	404.0	16.9
■	220	■	■	**Staley Continental**	1,849	3,409	647	58.0	164.9	9.3
180	■	■	■	**Standard Federal Bank**	8,515	808	179	56.8	71.1	1.4
■	413	397	418	**Stanley Works**	1,388	1,763	1,109	86.6	148.4	19.1
215	■	■	433	**[illegible]e Street Boston**	6,955	757	731	83.1	97.8	6.2
■	437	■	■	**[illegible]evens**	941	1,635	452	56.9	94.3	23.1
■	240	326	263	**St[illegible] Container**	2,286	3,233	1,462	161.3	300.0	17.2
■	169	■	■	**Sto[illegible] & Shop Cos**	1,358	4,343	583	55.7	138.2	47.0
63	429	173	236	**Student Loan Marketing Assn**	22,864	1,668	2,610	181.0	181.0	1.1
■	420	■	■	**Subaru of America**	664	1,746	285	–54.0	–45.6	1.1
390	■	■	■	**Sumitomo Bank of California**	3,576	304	172	20.4	26.1	1.7
495	■	■	■	**Summit Bancorp**	2,653	245	325	30.0	33.8	1.4
117	71	76	114	**Sun Company**	12,580	8,691	5,442	348.0	1,034.0	23.1
■	■	386	■	**Sun Microsystems**	636	756	1,153	48.0	84.6	3.2
■	493	■	■	**Sundstrand**	1,480	1,365	780	34.6	122.5	15.1
50	299	196	144	**SunTrust Banks**	27,188	2,561	2,364	282.8	379.6	19.9
■	451	■	■	**Super Food Services**	241	1,533	153	12.5	18.2	1.9
■	64	346	352	**Super Valu Stores**	2,083	9,406	1,335	108.6	210.9	28.5
■	189	372	491	**Sysco**	969	3,991	1,224	67.2	108.8	11.4
245	■	■	■	**Talman Home Federal S&L of Illinois**	6,049	533	71	13.1	17.2	2.3
■	■	375	455	**Tambrands**	408	539	1,207	76.6	89.5	4.7
■	■	176	371	**Tandem Computers**	1,060	1,080	2,593	102.2	160.8	6.4
■	202	156	139	**Tandy**	2,227	3,655	2,944	289.8	355.9	37.5
252	■	■	■	**TCF Financial**	5,858	570	49	–67.7	–53.3	2.0
■	■	360	348	**TECO Energy**	2,270	970	1,261	110.7	211.8	4.5
■	■	■	472	**Tecumseh Products**	764	951	706	71.6	100.9	11.1
■	487	■	■	**Tektronix**	971	1,389	686	25.7	110.4	18.2
237	482	131	■	**Tele-Communications**	6,199	1,416	3,572	36.0	274.2	15.1
313	172	134	103	**Teledyne***	4,816	4,288	3,547	377.2	474.5	44.6
464	380	345	305	**Temple-Inland***	2,838	1,938	1,335	141.4	235.5	11.2

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Ranking The Forbes 500s

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86	33	67	■	**Tenneco**	18,503	14,790	5,845	–218.0	845.0	102.5
■	498	■	■	**Tesoro Petroleum**	525	1,353	154	–2.5	27.4	2.3
31	8	40	■	**Texaco**	33,962	34,372	9,046	–4,407.0	–1,855.0	51.1
176	75	■	■	**Texas Air**	8,635	8,475	458	–466.1	75.8	69.0
291	■	■	■	**Texas American Bancshares**	5,170	508	36	–78.0	–43.7	3.0
296	208	388	383	**Texas Eastern**	5,073	3,573	1,147	96.1	344.9	9.3
343	132	105	157	**Texas Instruments**	4,256	5,595	4,383	256.9	637.0	77.6
107	184	113	46	**Texas Utilities**	13,986	4,083	4,115	680.0	940.8	16.5
126	94	240	141	**Textron***	11,701	7,248	2,016	288.9	491.8	66.5
330	178	94	163	**Time Inc**	4,424	4,193	4,753	250.0	455.0	5.4
433	250	98	152	**Times Mirror**	3,122	3,080	4,612	266.5	431.9	27.9
■	■	489	■	**Timken**	1,467	1,230	846	10.3	95.0	16.6
345	443	314	208	**Torchmark**	4,241	1,590	1,498	200.9	216.3	6.3
■	248	117	205	**Toys "R" Us**	2,028	3,137	4,002	203.9	247.6	30.7
383	186	■	■	**Trans World Airlines**	3,753	4,056	594	45.3	277.2	29.9
60	97	213	91	**Transamerica**	23,319	7,175	2,252	427.2	558.9	16.8
341	239	■	■	**Transco Energy**	4,297	3,242	696	–82.3	232.2	5.1
21	22	132	132	**Travelers**	50,165	17,459	3,564	302.9	430.5	33.9
381	170	■	■	**Triangle Industries**	3,772	4,336	608	55.5	152.8	23.5
482	346	150	304	**Tribune**	2,758	2,160	3,128	141.5	249.0	16.8
■	425	407	459	**Trinova**	1,320	1,682	1,088	75.1	125.9	20.1
272	■	■	■	**Trustcorp**	5,411	517	314	51.0	61.8	3.3
334	106	164	168	**TRW**	4,378	6,821	2,842	243.4	549.8	78.2
■	■	361	322	**Tucson Electric Power**	2,051	472	1,260	126.0	169.1	1.1
■	270	■	■	**Turner**	982	2,790	69	–22.3	–14.0	3.2
■	305	■	■	**TW Services**	2,114	2,492	692	56.5	156.8	74.3
■	401	497	479	**Tyson Foods**	809	1,796	826	70.0	135.0	25.3
458	329	175	199	**Union Camp**	2,897	2,308	2,601	207.5	385.3	17.4
195	104	162	176	**Union Carbide**	7,892	6,914	2,876	232.0	695.0	46.7
247	378	206	118	**Union Electric**	5,958	1,946	2,285	333.9	558.6	7.4
404	■	■	■	**Union National**	3,375	294	248	30.3	37.7	2.0
138	122	69	57	**Union Pacific**	10,919	5,943	5,675	583.0	1,036.0	46.6
492	■	■	■	**Union Planters**	2,672	257	155	10.1	18.4	2.0
153	59	88	58	**Unisys**	9,958	9,713	5,017	578.0	1,195.7	95.4
■	■	453	■	**United Artists Communications**	1,250	701	968	25.8	91.3	12.6
266	■	■	■	**United Banks of Colorado**	5,503	548	210	0.7	18.3	4.2
■	236	■	■	**United Brands**	1,116	3,268	657	61.3	93.0	39.5
■	■	493	■	**United Cable Television**	637	241	837	–7.2	48.5	2.3
212	■	■	■	**United Financial Group**	7,147	672	4	–118.0	–80.1	0.7
■	■	■	387	**United Illuminating**	1,892	498	373	95.2	147.8	1.6
150	■	461	370	**United Jersey Banks**	10,139	893	951	102.7	117.5	6.2
392	■	■	■	**United Missouri Bancshares**	3,550	287	342	32.3	42.8	2.4
109	■	495	376	**US Bancorp**	13,353	1,154	829	99.6	125.0	8.3
■	342	■	■	**US Shoe**	1,101	2,168	612	36.0	91.0	36.3
122	23	102	56	**United Technologies**	11,929	17,170	4,418	591.7	1,102.7	191.8
227	258	187	■	**United Telecommunications**	6,558	2,982	2,476	–51.5	512.2	23.3
■	330	■	■	**Universal**	1,006	2,298	524	61.8	77.8	14.0
152	76	144	237	**Unocal**	10,062	8,446	3,293	181.0	1,269.0	18.1
205	353	485	388	**UNUM Corp**	7,370	2,094	863	94.8	102.5	3.9
441	301	72	131	**Upjohn**	3,043	2,530	5,612	305.0	401.1	20.6
82	77	39	27	**US West**	19,095	8,445	9,488	1,005.5	2,646.7	68.9

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286	256	328	218	**USAir Group**	5,257	3,001	1,457	194.6	325.2	30.1
149	153	219	154	**USF&G**	10,141	4,826	2,214	265.3	281.9	10.1
■	264	313	204	**USG**	2,095	2,898	1,504	204.3	299.7	22.2
373	■	■	443	**USLife**	3,880	1,189	504	79.8	88.9	1.7
■	■	321	317	**UST**	549	576	1,487	130.9	147.8	3.3
79	35	46	201	**USX**	19,557	13,898	7,875	206.0	1,538.0	53.5
419	■	307	296	**Utah Power & Light**	3,269	983	1,584	144.8	250.6	5.4
■	488	414	■	**Valhi**	2,411	1,383	1,071	11.1	94.0	15.8
496	■	■	■	**Valley Bancorp**	2,653	249	223	20.3	26.8	2.1
409	■	■	■	**Valley Federal Savings & Loan Assn**	3,325	315	101	16.5	22.0	1.1
129	■	■	■	**Valley National**	11,300	1,071	530	–44.4	–15.5	8.0
■	296	296	238	**VF**	1,926	2,574	1,665	179.7	269.4	49.5
368	■	454	■	**Viacom**	3,937	1,011	967	–123.5	–9.0	4.8
■	235	■	■	**Vons Cos**	1,047	3,276	199	–3.9	36.5	21.2
■	■	341	333	**Vulcan Materials**	928	923	1,367	116.2	193.9	5.8
293	27	17	50	**Wal-Mart Stores**	5,132	16,065	14,686	627.6	790.6	162.0
■	167	255	350	**Walgreen**	1,525	4,436	1,891	109.1	165.1	45.0
467	253	258	389	**Wang Laboratories**	2,808	3,048	1,874	94.4	360.6	30.8
370	222	138	136	**Warner Communications**	3,897	3,404	3,485	298.3	440.8	8.3
■	213	97	137	**Warner-Lambert**	2,476	3,485	4,630	295.8	375.2	32.4
259	■	■	■	**Washington Mutual Savings Bank**	5,708	549	212	42.3	48.4	1.7
■	■	190	226	**Washington Post**	1,194	1,315	2,402	186.7	242.4	6.4
■	■	■	489	**Washington Water Power**	1,378	399	521	68.1	108.7	1.4
405	276	42	122	**Waste Management**	3,351	2,758	8,455	327.1	559.1	27.6
■	■	298	458	**Weis Markets**	537	1,128	1,634	76.0	92.9	13.1
23	164	210	■	**Wells Fargo**	44,183	4,572	2,269	50.8	164.0	21.1
■	414	■	456	**West Point-Pepperell**	1,456	1,762	798	76.6	132.6	31.9
387	■	■	■	**Western Capital Investment**	3,607	373	109	0.3	7.4	1.9
243	■	■	■	**Western Savings & Loan Assn**	6,052	627	97	33.4	35.7	2.4
154	49	50	38	**Westinghouse Electric**	9,953	10,679	7,141	738.9	1,056.9	112.5
■	375	275	267	**Westvaco**	2,238	1,964	1,796	159.3	290.8	14.9
■	192	■	■	**Wetterau**	767	3,942	420	37.4	69.4	11.8
113	69	79	81	**Weyerhaeuser***	12,914	8,824	5,259	446.6	817.3	43.3
■	179	292	235	**Whirlpool**	2,417	4,179	1,688	181.1	312.2	30.7
478	■	■	■	**Whitney Holding**	2,775	218	332	25.7	28.8	1.3
361	215	■	312	**Wickes Cos**	4,039	3,477	550	137.5	281.9	60.0
■	476	398	328	**Willamette Industries**	1,181	1,432	1,105	121.3	208.4	8.5
402	406	478	404	**Williams Cos**	3,441	1,780	887	90.3	203.1	4.6
459	■	■	■	**Wilmington Trust**	2,891	285	451	43.4	48.0	1.7
■	500	■	■	**Wilson Foods**	211	1,345	78	3.4	12.8	4.8
■	70	276	337	**Winn-Dixie Stores**	1,535	8,824	1,794	114.6	278.9	78.5
442	494	315	251	**Wisconsin Energy**	3,036	1,365	1,498	169.5	294.9	6.1
■	477	■	■	**Witco**	1,056	1,428	746	63.3	117.0	7.8
415	99	218	163	**FW Woolworth**	3,299	7,134	2,222	251.0	398.0	122.5
■	■	338	478	**Wm Wrigley Jr**	407	781	1,392	70.1	91.1	5.5
57	32	70	58	**Xerox***	23,462	15,125	5,668	578.0	1,384.0	111.7
■	416	■	■	**Yellow Freight System**	924	1,760	792	41.3	140.3	24.5
■	117	■	327	**Zayre**	2,178	6,186	785	122.8	204.3	63.5
■	324	■	■	**Zenith Electronics**	1,373	2,363	382	–19.1	22.4	36.0
446	■	■	■	**Zions Bancorporation**	3,021	284	132	–14.4	–0.5	1.9

■ Not on 500 list. *Figures include unconsolidated subsidiaries.

The Forbes 500s on Wall Street

SALES
PROFITS
ASSETS
MARKET VALUE

All 796 companies that qualified for one or more of the Forbes 500 lists are here, with data on each company's stock performance and earnings forecasts.

			Stock price			Stock performance—latest 12 months—		Stock price ratios: price/earnings			Stock price ratios
Company/fiscal year end	Ticker symbol	exch	5-year high-low	12-month high-low	recent	price change	relative to market	5-year high-low	latest 12 months	1988 est	price/ sales
Abbott Laboratories/Dec	ABT	n	67– 18	67– 40	50¼	–21%	88%	28– 11	18.1	15.5	2.60
Aetna Life & Cas/Dec	AET	n	68– 27	68– 44	45⅜	–32	76	37– 6	6.0	6.2	0.23
Affiliated Pubs/Dec	AFP	n	84– 7	84– 41	64	35	152	20– 10	12.3	37.6	4.51
HF Ahmanson/Dec	AHM	n	29– 5	26– 13	15½	–40	67	22– 4	7.6	7.2	0.58
Air Prods & Chems/Sep	APD	n	54– 18	54– 29	47¾	2	114	15– 9	14.8	13.2	1.19
Albertson's/Jan	ABS	n	34– 11	34– 20	28¾	9	122	20– 10	15.3	13.8	0.33
Alco Health Services/Sep	AAHS	o	26– 11*	21– 11	18	–11	100	21– 7*	12.1	11.8	0.12
Alco Standard/Sep	ASN	n	30– 14	30– 15	25¾	0	113	17– 8	13.3	12.3	0.32
Alexander & Alexander/Dec	AAL	n	42– 16	32– 16	21⅞	–28	80	14– 9	14.3	12.8	0.82
Alexander & Baldwin/Dec	ALEX	o	64– 11	64– 32	50½	3	115	15– 7	11.0	10.7	2.01
Allegheny Power/Dec	AYP	n	54– 22	45– 31	38¼	–12	99	13– 6	9.4	9.7	0.99
Allegis/Dec	AEG	n	106– 28	106– 56	83⅞	42	159	14– 4	13.9	30.7	0.57
Allied-Signal/Dec	ALD	n	49– 25	49– 26	32½	–31	77	9– 6	9.2	10.9	0.44
Alltel/Dec	AT	n	34– 13	34– 23	31	13	126	18– 7	10.1	10.8	1.39
Altus Bank FSB/Dec	ALTS	o	22– 5*	15– 5	6½	–57	48	NM– 3*	NM	NM	0.11
Alcoa/Dec	AA	n	65– 30	65– 34	46¾	5	118	19– 7	18.6	9.0	0.53
AMAX/Dec	AMX	n	33– 11	29– 13	18⅞	4	117	22– 8	22.2	9.3	0.54
Amdahl/Dec	AMH	a	50– 10	50– 19	34¾	–12	98	13– 7	12.7	10.3	1.21
Amerada Hess/Dec	AHC	n	42– 17	42– 22	30	–7	104	11– 6	11.0	9.4	0.52
American Brands/Dec	AMB	n	60– 23	60– 37	46⅛	–8	103	17– 7	10.0	9.0	0.84
American Capital/Dec	ACC	a	10– 2*	6– 2	4¼	–11	100	NM– 5*	NM	NA	0.14
American Continental/Dec	AMCC	o	13– 3	13– 5	6⅜	–44	63	13– 3	7.3	NA	0.15
American Cyanamid/Dec	ACY	n	57– 20	57– 29	51⅜	5	118	26– 10	17.0	15.8	1.11
American Electric/Dec	AEP	n	32– 15	30– 23	28¾	–3	109	13– 5	11.1	9.8	1.16
American Express/Dec	AXP	n	41– 13	40– 21	26½	–31	77	34– 10	22.1	9.6	0.63
American Family/Dec	AFL	n	19– 3	19– 10	15¾	14	127	21– 7	12.4	11.9	0.68
American General/Dec	AGC	n	47– 19	44– 27	36¼	–14	96	13– 7	9.3	8.5	0.66
American Home Prod/Dec	AHP	n	97– 43	97– 62	82	–10	101	19– 11	14.3	13.1	2.37
American Intl Group/Dec	AIG	n	84– 26	84– 54	59	–26	83	26– 9	9.3	9.0	0.86
American Medical/Aug	AMI	n	37– 11	21– 11	15	–21	89	13– 9	12.5	11.5	0.45

*Range is for less than period indicated. NA: Not available or applicable. NM: Not meaningful. E: Estimate. Stock prices as of Mar. 18, 1988.

Battered they were, but the corporations on the four Forbes 500 lists fared a bit better than the overall market for the 52 weeks ending Mar. 18. The *Investor's Daily 6,000* index was off 10.8%, the Forbes 500s down 9.4%.

Prior to the October crash the market had been selling for about 23 times latest 12-month earnings. The present multiple on the *Investor's Daily 6,000* is approximately 16. Not bargain-counter stuff, especially if the economy falters. But Wall Street analysts are still optimistic about 1988 earnings. On an unweighted basis they anticipate an average increase in earnings of 39.8% for the Forbes 500s companies. Half that gain, according to the analysts, should come from the money center banks, which are expected to recover from their massive 1987 writeoffs.

Of the 766 Forbes 500s companies for which an estimate is available, 333 are selling for less than ten times estimated fiscal 1988 earnings. These estimates reflect the consensus of security analysts. For example, the $2.65 figure for Hubbell is the average of ten estimates. The column labeled "Confidence factor on estimate" describes how much agreement there was among analysts.

Any fiscal year ending between June 1987 and May 1988 is treated as fiscal 1987, no matter how it is designated by the company. If fiscal earnings have not been reported, we use an estimate and mark it with an "E." Recent price and price ranges are as of Mar. 18, 1988. They are adjusted for all stock splits effective on or before Apr. 25, 1988, this issue's cover date. A stock with a "relative performance" of 100 would have kept pace with the market—that is, it would have lost 10.8% over the last 52 weeks. Thus, Air Products' gain of 2% over the last 12 months results in a performance relative to the market of 114.

"NA" designates firms with trading histories shorter than the ranges specified. Prices for stocks that had spinoffs, cash distributions or other recapitalizations are as the stock was originally traded. One-year performance figures, however, include the value of the distributions.

Stock market performance data come from Los Angeles-based William O'Neil & Co., publisher of the *Investor's Daily 6,000*. The earnings projections are courtesy of the Institutional Brokers Estimate System, a service of New York brokerage firm Lynch, Jones & Ryan.

Earnings							Dividends			
net profit margin	latest 12 months EPS	1987 EPS	estimated 1988 EPS	% change '88 vs '87 EPS	number of analysts	confidence factor on estimate	indicated rate	yield	payout ratio	5-year growth rate
14.4%	$2.78	$2.78	$3.24	17%	34	very high	$1.20	2.4%	36%	21%
3.9	7.51	7.48	7.29	–3	29	average	2.76	6.1	37	0
37.4	5.22	5.22	1.70	–67	6	very low	0.40	0.6	8	20
7.6	2.03	2.03	2.15	6	19	low	0.88	5.7	43	27
8.2	3.22	2.83	3.61	28	22	average	1.00	2.1	31	21
2.1	1.88	1.88	2.08	11	21	high	0.56	1.9	30	12
1.0	1.49	1.39	1.53	10	10	high	0.12	0.7	8	0
2.4	1.94	1.81	2.10	16	7	average	0.68	2.6	35	4
5.8	1.53	1.53	1.71	12	18	low	1.00	4.6	65	0
19.1	4.59	4.59	4.70	2	4	very high	1.60	3.2	35	21
10.4	4.05	4.05	3.94	–3	27	high	3.00	7.8	74	4
4.0	6.02	6.02	2.73	–55	21	very low	none	NA	NA	NA
5.4	3.55	3.55	2.99	–16	15	average	1.80	5.5	51	4
14.2	3.07	3.07	2.88	–6	16	high	1.52	4.9	50	5
0.0	0.02	0.02	–0.14	NM	3	very low	none	NA	NA	NA
2.9	2.52	2.52	5.18	106	21	low	1.20	2.6	48	0
2.3	0.85	0.85	2.02	138	16	very low	none	NA	NA	NA
9.4	2.74	2.74	3.36	23	23	average	0.20	0.6	7	7
4.9	2.73	2.73	3.19	17	32	very low	0.60	2.0	22	0
8.7	4.60	4.60	5.14	12	21	high	2.20	4.8	48	1
0.0	–0.19	–0.19	NA	NA	NA	NA	none	NA	NA	NA
3.0	0.88	0.88	NA	NA	NA	NA	none	NA	NA	NA
6.6	3.02	3.02	3.26	8	22	high	1.05	2.0	35	5
10.5	2.60	2.60	2.93	13	24	very high	2.26	7.9	87	0
3.0	1.20	1.20	2.76	130	18	average	0.76	2.9	63	6
5.4	1.27	1.27	1.32	4	12	very high	0.24	1.5	19	12
7.9	3.88	3.88	4.25	10	24	high	1.40	3.9	36	12
16.8	5.73	5.73	6.28	10	37	very high	3.60	4.4	63	8
9.4	6.34	6.34	6.53	3	28	high	0.30	0.5	5	9
3.8	1.20	1.26	1.31	4	23	low	0.72	4.8	60	13

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan from Lotus CD Investment; Forbes.

The Forbes 500s on Wall Street

			Stock price			Stock performance —latest 12 months—		Stock price ratios price/earnings			
Company/fiscal year end	Ticker symbol	exch	5-year high-low	12-month high-low	recent	price change	relative to market	5-year high-low	latest 12 months	1988 est	price/ sales
American Natl Ins/Dec	ANAT	o	51– 18	43– 23	31	–27%	82%	17– 6	9.7	9.0	0.99
American Petrofina/Dec	APIA	a	75– 38	75– 46	66¾	43	160	11– 8	10.6	NA	0.35
American President/Dec	APS	n	51– 14*	51– 22	32⅝	–10	101	41– 3*	9.5	10.2	0.37
American S&L Fla/Sep	AAA	n	26– 5	18– 10	16	–11	100	NM– 2	NM	NA	0.53
American Savings/Dec	ABNY	o	25– 10	20– 10	14¾	–26	83	10– 4	5.5	3.4	0.24
American Standard/Dec	AST	n	77– 23	77– 31	75⅞	52	170	19– 7	19.0	16.5	0.69
American Stores/Jan	ASC	n	86– 24	86– 42	58⅜	–15	95	22– 7	13.9	11.6	0.12
American Tel & Tel/Dec	T	n	36– 15*	36– 23	28¾	20	134	15– 3*	15.3	13.4	0.92
AmeriFirst Bank/Sep	AMRI	0	20– 8*	20– 8	17⅝	44	161	NA–NA*	NA	18.6	0.47
Ameritech/Dec	AIT	n	102– 41*	100– 74	92⅞	2	115	13– 6*	11.0	10.5	1.34
AmeriTrust/Dec	AMTR	o	27– 9	27– 16	17¼	–34	74	NM– 5	NM	7.7	0.74
Ames Dept Stores/Jan	ADD	n	35– 8	30– 8	15⅞	–42	65	46– 10	18.0	12.5	0.28
Amfac/Dec	AMA	n	41– 18	41– 24	34¼	14	128	NM– 12	NM	17.1	0.27
Amoco/Dec	AN	n	90– 38	90– 57	75⅞	–7	104	29– 6	14.3	13.1	0.97
Amoskeag/Dec	AMOS	o	46– 14	39– 15	23	–30	79	NM– 5	NM	NA	0.05
AMP/Dec	AMP	n	72– 25	72– 34	53⅜	–2	109	42– 14	23.1	18.7	2.48
AMR/Dec	AMR	n	66– 24	66– 27	43⅛	–23	86	20– 4	13.1	11.3	0.35
AmSouth Bancorp/Dec	ASO	n	39– 12	35– 21	25	–25	84	13– 6	9.5	7.3	0.92
Anadarko Petroleum/Dec	APC	n	35– 18*	35– 19	24½	–10	101	NM–NM*	NM	42.2	5.54
Anchor Savings Bank/Jun	ABKR	o	NA–NA*	13– 4	6	NA	NA	NA–NA*	NA	6.7	0.16
Anheuser-Busch Cos/Dec	BUD	n	40– 9	40– 26	31⅞	–11	99	21– 8	15.6	13.2	1.13
Aon/Dec	AOC	n	33– 14	30– 21	26	–9	102	13– 7	11.0	8.0	0.68
Apple Bank/Dec	APK	o	38– 11	36– 17	28⅝	–19	91	13– 4	6.8	4.9	0.52
Apple Computer/Sep	AAPL	o	60– 7	60– 28	44¾	31	147	54– 12	21.1	16.6	1.83
Archer-Daniels/Jun	ADM	n	28– 8	28– 17	20½	6	119	19– 9	10.7	10.3	0.57
Argonaut Group/Dec	AGII	o	52– 18*	52– 24	45	65	185	16– 3*	3.1	7.5	1.23
Aristech Chemical/Dec	ARS	n	39– 17*	39– 17	31¾	9	123	17– 6*	11.7	8.6	0.87
Arkla/Dec	ALG	n	30– 16	27– 16	19¾	–14	96	32– 10	15.8	13.3	0.96
Armco/Dec	AS	n	23– 4	15– 7	11¾	42	160	10– 4	9.6	6.7	0.35
Armstrong World Inds/Dec	ACK	n	47– 11	47– 23	38⅛	–9	101	19– 7	12.0	11.0	0.75
Asarco/Dec	AR	n	44– 10	34– 15	25⅛	18	132	5– 5	4.7	6.2	0.79
Ashland Oil/Sep	ASH	n	72– 21	72– 47	65	0	112	21– 6	13.4	10.5	0.27
Atlantic Energy/Dec	ATE	n	47– 20	38– 29	33⅞	–8	104	15– 6	8.4	9.5	0.96
Atlantic Financial/Sep	ATLF	o	19– 6*	11– 6	6⅝	–42	65	16– 2*	15.4	NA	0.04
Atlantic Richfield/Dec	ARC	n	99– 37	99– 59	81	4	116	27– 6	12.1	11.4	0.88
Automatic Data/Jun	AUD	n	55– 15	55– 28	45¾	–5	107	31– 14	23.5	21.3	2.43
Avery International/Nov	AVY	n	29– 9	29– 15	23	–8	104	28– 10	28.4	13.3	0.69
Avnet/Jun	AVT	n	51– 19	39– 19	26	–26	83	61– 11	25.0	16.6	0.55
Avon Products/Dec	AVP	n	39– 18	39– 19	23	–26	83	23– 6	10.2	9.5	0.59
Baker Hughes/Sep	BHI	n	27– 11	27– 11*	18⅜	NA	NA	NA–NA	NM	33.4	1.08
Ball Corp/Dec	BLL	n	49– 14	49– 27	34⅞	–13	97	18– 8	12.5	12.9	0.77
Bally Manufacturing/Dec	BLY	n	28– 11	28– 11	17½	–13	98	11– 11	10.8	13.6	0.28
Baltimore Bancorp/Dec	BBB	o	25– 7*	24– 10	14⅝	–36	72	29– 6*	8.3	7.4	0.75
Baltimore G&E/Dec	BGE	n	40– 14	34– 22	31⅛	–5	106	13– 5	9.0	9.3	1.36
Banc One/Dec	ONE	n	30– 11	27– 16	24¾	2	114	16– 8	12.5	9.2	1.37
Banco Popular PR/Dec	BPOP	o	40– 12	37– 25	28¼	–21	89	10– 4	7.4	6.6	0.62
Bancorp Hawaii/Dec	BNHI	o	60– 18	60– 42	50½	–11	100	12– 5	8.8	7.9	0.94
Bank of Boston/Dec	BKB	n	38– 10	38– 18	25⅛	–25	84	NM– 4	NM	6.0	0.38

*Range is for less than period indicated. NA: Not available or applicable. NM: Not meaningful. E: Estimate. Stock prices as of Mar. 18, 1988.

Earnings							Dividends			
net profit margin	latest 12 months EPS	1987 EPS	estimated 1988 EPS	% change '88 vs '87 EPS	number of analysts	confidence factor on estimate	indicated rate	yield	payout ratio	5-year growth rate
10.2%	$3.19	$3.19	$3.44	8%	4	very high	$1.40	4.5%	44%	15%
3.4	6.32	6.32	NA	NA	NA	NA	2.00	3.0	32	0
4.3	3.42	3.42	3.21	–6	14	low	0.50	1.5	15	54
1.1	–0.40	1.91	NA	NA	NA	NA	none	NA	NA	NA
5.9	2.69	2.69	4.33	61	4	average	0.80	5.4	30	0
3.7	3.99	3.99	4.61	16	10	low	1.80	2.4	45	3
1.1	4.19	4.19	5.03	20	11	average	0.84	1.4	20	13
6.1	1.88	1.88	2.14	14	37	average	1.20	4.2	64	21
2.7	NA	NA	0.95	NM	2	NM	none	NA	NA	NA
12.5	8.47	8.47	8.81	4	29	very high	5.40	5.8	64	28
NM	–0.24	–0.24	2.24	NM	8	average	1.00	5.8	NM	5
1.6	0.88	0.88	1.27	44	10	average	0.10	0.6	11	3
0.2	0.04	0.04	2.00	NM	6	low	none	NA	NA	NA
6.7	5.31	5.31	5.81	9	38	average	3.50	4.6	66	4
0.0	0.09	0.09	NA	NA	NA	NA	1.00	4.3	NM	–10
10.8	2.31	2.31	2.86	24	25	high	1.00	1.9	43	11
2.8	3.28	3.28	3.82	16	23	very low	none	NA	NA	NA
9.4	2.63	2.63	3.42	30	13	high	1.24	5.0	47	10
4.0	0.18	0.18	0.58	222	21	very low	0.30	1.2	167	0
3.7	NA	NA	0.90	NM	1	NM	none	NA	NA	NA
7.4	2.04	2.04	2.42	19	26	very high	0.60	1.9	29	19
6.3	2.36	2.36	3.23	37	19	high	1.20	4.6	51	–1
7.6	4.19	4.19	5.79	38	8	low	none	NA	NA	NA
9.2	2.12	1.65	2.69	63	43	average	0.32	0.7	15	0
5.4	1.92	1.54	2.00	30	15	high	0.10	0.5	5	8
40.1	14.59	14.59	6.00	–59	2	NM	none	NA	NA	NA
7.6	2.71	2.71	3.70	37	9	average	0.80	2.5	30	0
6.6	1.25	1.25	1.48	18	15	average	1.08	5.5	86	2
3.6	1.23	1.23	1.75	42	13	very low	none	NA	NA	NA
6.4	3.18	3.18	3.46	9	15	average	0.90	2.4	28	10
15.4	5.34	5.34	4.07	–24	18	very low	0.40	1.6	7	0
2.0	4.85	4.27	6.18	45	26	low	1.80	2.8	37	1
11.4	4.03	4.03	3.58	–11	14	average	2.68	7.9	67	7
0.7	0.43	0.19	NA	NA	NA	NA	0.28	4.2	65	0
7.5	6.68	6.68	7.10	6	42	average	4.00	4.9	60	13
10.2	1.95	1.76	2.15	22	26	very high	0.44	1.0	23	11
2.4	0.81	0.81	1.73	114	13	high	0.42	1.8	52	18
2.2	1.04	0.64	1.57	145	19	average	0.50	1.9	48	2
5.8	2.26	2.26	2.43	8	19	average	2.00	8.7	88	0
NM	–2.02	–2.22	0.55	NM	25	very low	0.46	2.5	NM	–20
6.3	2.80	2.80	2.70	–4	5	average	0.96	2.8	34	13
3.4	1.62	1.62	1.29	–20	9	low	0.20	1.1	12	0
9.0	1.77	1.77	1.99	12	8	average	0.50	3.4	28	116
16.6	3.47	3.47	3.34	–4	26	high	1.90	6.1	55	7
10.7	1.98	1.98	2.68	35	26	average	0.83	3.4	42	16
8.4	3.83	3.83	4.30	12	1	NM	1.32	4.7	34	11
10.9	5.73	5.73	6.41	12	6	very high	1.76	3.5	31	9
0.5	0.10	0.10	4.21	NM	22	high	1.08	4.3	NM	7

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan from Lotus CD Investment; FORBES.

The Forbes 500s on Wall Street

			Stock price			Stock performance —latest 12 months—		Stock price ratios			
								price/earnings			
Company/fiscal year end	Ticker symbol	exch	5-year high-low	12-month high-low	recent	price change	relative to market	5-year high-low	latest 12 months	1988 est	price/ sales
Bank of New England/Dec	BKNE	o	40– 12	37– 20	28¾	–20%	90%	17– 5	14.1	7.0	0.75
Bank of New York/Dec	BK	n	47– 18	46– 25	29⅝	–30	78	17– 4	10.0	5.5	0.46
Bank South/Dec	BKSO	o	23– 5	19– 11	13½	–22	87	19– 6	13.1	9.1	0.90
BankAmerica/Dec	BAC	n	26– 5	13– 5	10⅛	–20	90	NM– 8	NM	6.4	0.17
Bankers Trust NY/Dec	BT	n	55– 19	55– 26	34	–27	81	NM– 4	NM	4.9	0.46
BanPonce/Dec	BDEP	o	40– 8	40– 19	23	–40	67	15– 4	11.1	NA	0.52
CR Bard/Dec	BCR	n	50– 10	50– 25	40⅝	–15	96	27– 8	19.0	16.0	1.83
Barnett Banks/Dec	BBI	n	42– 13	42– 27	33⅜	–13	97	14– 6	10.2	8.8	0.87
Battle Mountain Gold/Dec	BMG	n	30– 6*	30– 13	16⅞	–9	102	57– 17*	22.8	17.6	8.88
Bausch & Lomb/Dec	BOL	n	50– 18	49– 31	44⅞	–5	106	28– 10	16.0	13.9	1.59
Baxter Travenol Labs/Dec	BAX	n	31– 12	29– 16	24¾	–2	109	22– 10	21.7	16.5	0.96
BayBanks/Dec	BBNK	o	52– 16	49– 31	40½	–8	103	13– 6	8.8	8.6	0.83
Bear Stearns Cos/Apr	BSC	n	25– 8*	22– 8	13⅜	–37	71	16– 5*	9.4	10.2	0.59
Becton Dickinson/Sep	BDX	n	69– 15	69– 42	61½	–7	104	32– 10	18.7	15.1	1.48
Bell Atlantic/Dec	BEL	n	80– 33*	80– 61	71	1	113	13– 8*	11.4	10.6	1.37
BellSouth/Dec	BLS	n	46– 18*	44– 29	40	–2	110	14– 7*	11.6	10.7	1.55
Beneficial Corp/Dec	BNL	n	79– 21	63– 28	45⅜	–25	85	28– 5	8.0	9.3	0.82
Benj Franklin S&L/Dec	BENJ	o	11– 4*	10– 4	5¼	–48	58	7– 2*	2.7	2.5	0.09
Bergen Brunswig/Aug	BBCA	a	38– 14	28– 14	24¾	1	113	27– 10	16.0	12.8	0.10
Berkshire Hathaway/Dec	BKHT	o	4270–890	4270–2550	3250	–7	103	59– 15	15.9	NA	1.59
Best Products/Jan	BES	n	26– 6	13– 6	10¾	23	138	11– 6	11.4	9.7	0.13
Bethlehem Steel/Dec	BS	n	30– 5	23– 7	22⅞	210	348	16– 6	15.5	7.7	0.32
Beverly Enterprises/Dec	BEV	n	22– 6	19– 6	7½	–58	47	NM– 12	NM	50.0	0.19
Black & Decker/Sep	BDK	n	29– 13	27– 13	20⅝	1	113	52– 9	18.8	14.0	0.60
H&R Block/Apr	HRB	n	34– 9	34– 20	31	13	126	25– 9	21.8	15.8	2.13
Boatmen's Bancshares/Dec	BOAT	o	48– 21	44– 27	36½	–17	93	15– 6	8.8	8.0	0.83
Boeing/Dec	BA	n	65– 24	54– 34	49½	–7	104	18– 4	16.0	13.8	0.49
Boise Cascade/Dec	BCC	n	52– 20	52– 29	48⅞	–3	109	38– 8	13.2	10.2	0.58
Borden/Dec	BN	n	64– 17	64– 30	55½	–1	111	19– 8	15.3	13.0	0.63
Boston Edison/Dec	BSE	n	28– 13	27– 16	17	–34	74	12– 6	7.5	7.7	0.54
Bowater/Dec	BOW	n	45– 15*	45– 22	35⅞	–16	95	27– 7*	16.8	9.9	1.06
Branch Corp/Dec	BNCH	o	22– 10	20– 13	14¾	–25	84	14– 7	8.2	7.8	0.77
Bristol-Myers/Dec	BMY	n	56– 17	55– 28	44⅞	–18	91	26– 11	18.2	15.7	2.39
Brown-Forman/Apr	BFB	a	55– 16	55– 27	47⅜	–5	106	20– 8	14.1	11.6	1.38
Brown Group/Jan	BG	n	44– 23	44– 27	36⅛	–9	102	21– 7	13.7	11.4	0.38
Browning-Ferris Inds/Sep	BFI	n	36– 7	36– 18	28¼	–6	106	31– 10	23.0	19.0	2.37
Brunswick/Dec	BC	n	30– 3	30– 11	21⅞	–12	99	31– 5	11.5	10.1	0.63
Burlington Northern/Dec	BNI	n	84– 35	84– 35	71⅛	3	116	14– 5	14.4	12.5	0.80
Cabot/Sep	CBT	n	49– 21	49– 25	37	3	116	27– 7	27.4	15.2	0.68
CalFed/Dec	CAL	n	42– 11*	39– 19	26⅜	–32	76	9– 3*	4.0	4.4	0.26
California First Bk/Dec	CFBK	o	37– 14	32– 29	31	2	114	16– 9	10.3	NA	0.72
CalMat/Dec	CZM	n	38– 9*	38– 22	30½	19	133	28– 10*	12.1	15.0	1.55
Campbell Soup/Jul	CPB	n	35– 11	35– 23	30¼	–11	100	20– 9	14.8	14.0	0.84
Capital Cities/ABC/Dec	CCB	n	450–124	450–297	351¾	0	112	31– 14	21.4	15.7	1.28
Capital Holding/Dec	CPH	n	39– 15	37– 24	32⅞	–11	100	14– 7	9.8	9.0	0.46
Carnival Cruise Line/Nov	CCL	a	NA–NA	18– 8*	13⅛	NA	NA	10–NA	10.1	9.1	3.13
Carolina Power & Lt/Dec	CPL	n	43– 19	41– 30	35¼	–12	99	11– 5	9.2	9.2	1.36
Carter Hawley Hale†/Jul	CHH	n	NA–NA*	19– 7	10⅜	–23	86	NA–NA*	NM	10.9	0.09

*Range is for less than period indicated. †Prices as originally reported, adjusted for splits: Stock performance includes value of special distributions. NA: Not available or applicable. NM: Not meaningful. E: Estimate. Stock prices as of Mar. 18, 1988.

Earnings							Dividends			
net profit margin	latest 12 months EPS	1987 EPS	estimated 1988 EPS	% change '88 vs '87 EPS	number of analysts	confidence factor on estimate	indicated rate	yield	payout ratio	5-year growth rate
5.3%	$2.04	$2.04	$4.12	102%	25	very high	$1.24	4.3%	61%	17%
4.8	2.97	2.97	5.41	82	11	high	1.80	6.1	61	10
6.8	1.03	1.03	1.49	45	5	high	0.44	3.3	43	19
NM	–6.43	–6.43	1.59	NM	29	very low	none	NA	NA	NA
0.0	0.02	0.02	6.97	NM	29	low	1.86	5.5	NM	12
4.7	2.08	2.08	NA	NA	NA	NA	1.40	6.1	67	25
9.7	2.14	2.14	2.54	19	24	very high	0.48	1.2	22	13
8.6	3.26	3.26	3.79	16	31	high	0.92	2.8	28	15
38.7	0.74	0.74	0.96	30	24	average	0.10	0.6	14	0
10.2	2.81	2.81	3.24	15	18	high	1.00	2.2	36	2
5.3	1.14	1.14	1.50	32	29	average	0.50	2.0	44	11
9.0	4.58	4.58	4.70	3	8	high	1.60	4.0	35	8
7.1	1.42	1.35E	1.31	–3	4	low	0.50	3.7	35	0
8.3	3.29	3.42	4.07	19	25	very high	0.86	1.4	26	8
12.0	6.24	6.24	6.67	7	32	very high	4.08	5.7	65	28
13.6	3.46	3.46	3.74	8	33	very high	2.20	5.5	64	25
11.4	5.67	5.67	4.86	–14	5	very high	2.00	4.4	35	0
3.2	1.92	1.92	2.10	9	4	low	none	NA	NA	NA
0.6	1.55	1.19	1.93	62	6	high	0.32	1.3	21	2
10.0	204.51	204.51	NA	NA	NA	NA	none	NA	NA	NA
1.2	0.94	0.94	1.11	18	9	average	none	NA	NA	NA
2.2	1.48	1.48	2.98	101	15	very low	none	NA	NA	NA
NM	–0.58	–0.58	0.15	NM	19	very low	none	NA	NA	NA
3.2	1.10	0.95	1.47	55	16	average	0.40	1.9	36	–8
9.9	1.42	1.71E	1.96	15	9	very high	0.88	2.8	62	13
9.7	4.14	4.14	4.55	10	11	high	2.00	5.5	48	11
3.1	3.10	3.10	3.60	16	32	average	1.40	2.8	45	12
4.8	3.70	3.70	4.80	30	21	low	1.20	2.5	32	0
4.1	3.62	3.62	4.28	18	23	very high	1.28	2.3	35	12
8.3	2.27	2.27	2.20	–3	18	average	1.82	10.7	80	4
6.6	2.13	2.13	3.62	70	18	average	0.92	2.6	43	30
9.3	1.79	1.79	1.88	5	6	high	0.68	4.6	38	4
13.1	2.47	2.47	2.86	16	37	very high	1.68	3.7	68	26
9.8	3.35	3.46E	4.10	18	5	high	1.36	2.9	41	17
2.8	2.63	2.63	3.16	20	10	high	1.56	4.3	59	8
10.5	1.23	1.15	1.49	30	23	very high	0.48	1.7	39	19
5.5	1.90	1.90	2.16	14	12	high	0.36	1.6	19	28
5.6	4.93	4.93	5.70	16	28	average	2.20	3.1	45	29
2.5	1.35	1.42	2.43	71	5	low	0.92	2.5	68	0
6.7	6.67	6.67	6.03	–10	17	low	1.20	4.5	18	71
6.9	3.01	3.01	NA	NA	NA	NA	1.08	3.5	36	0
13.0	2.53	2.53	2.03	–20	2	NM	0.48	1.6	19	12
5.7	2.04	1.90	2.16	14	22	very high	0.84	2.8	41	5
6.3	16.46	16.46	22.41	36	25	average	0.20	0.1	1	2
5.1	3.35	3.35	3.65	9	24	very high	0.94	2.9	28	6
27.1	1.30	1.30	1.44	11	5	average	0.40	3.0	31	0
16.5	3.83	3.83	3.83	0	22	high	2.76	7.8	72	1
NM	–5.19	–5.19	0.95	NM	10	low	none	NA	NA	NA

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan from Lotus CD Investment; Forbes.

The Forbes 500s on Wall Street

			Stock price			Stock performance —latest 12 months—		Stock price ratios —price/earnings—			
Company/fiscal year end	Ticker symbol	exch	5-year high-low	12-month high-low	recent	price change	relative to market	5-year high-low	latest 12 months	1988 est	price/ sales
Carteret Bancorp/Sep	CBC	n	21– 5*	21– 10	17	1%	113%	9– 2*	7.6	7.1	0.35
Castle & Cooke/Dec	CKE	n	27– 9	27– 12	22⅝	0	112	13– 7	12.7	12.9	0.61
Caterpillar/Dec	CAT	n	75– 28	75– 41	67¼	43	160	21– 10	21.0	13.0	0.83
CBS/Dec	CBS	n	226– 62	226–141	166	3	115	9– 9	9.4	14.7	1.42
Centel/Dec	CNT	n	50– 20	50– 33	48⅛	12	126	20– 7	13.4	13.8	1.42
Centerior Energy/Dec	CX	n	28– 15*	24– 15	16⅜	–27	82	9– 4*	5.8	7.0	1.18
Centerre Bancorp/Dec	CTBC	o	52– 19	45– 29	35½	–21	88	26– 7	26.1	8.4	0.55
Centex/Mar	CTX	n	40– 15	35– 15	20¼	–43	64	18– 8	13.0	9.5	0.22
Central & So West/Dec	CSR	n	41– 17	36– 27	32	–10	101	11– 5	8.2	8.2	1.25
Central Bancshares/Dec	CBSS	o	23– 6	21– 11	14	–33	76	13– 5	8.9	8.2	0.83
Central Fidelity Bks/Dec	CFBS	o	37– 11	34– 23	28⅛	–16	94	13– 6	9.3	8.4	1.08
Central Ill Pub Svc/Dec	CIP	n	31– 14	26– 20	22	–11	100	16– 5	11.7	10.2	1.27
CenTrust Savings Bank/Sep	DLP	a	14– 4*	12– 7	9⅛	–21	89	25– 1*	9.3	NA	0.10
Champion Intl/Dec	CHA	n	45– 17	45– 23	36	–9	102	24– 6	8.9	9.2	0.74
Chase Manhattan/Dec	CMB	n	50– 18	46– 19	26⅛	–33	76	NM– 4	NM	3.8	0.20
Chemical New York/Dec	CHL	n	56– 20	47– 20	23¾	–46	60	NM– 4	NM	3.4	0.20
Chevron/Dec	CHV	n	65– 29	65– 32	47¼	–18	92	23– 7	16.1	14.1	0.62
Chicago Pacific/Dec	CPA	n	59– 22	59– 22	39½	–21	89	21– 4	11.0	9.1	0.26
Chrysler/Dec	C	n	48– 7	48– 20	24¾	–31	77	20– 2	4.2	4.7	0.21
Chubb/Dec	CB	n	78– 23	70– 51	61	–12	99	8– 6	7.7	7.1	0.67
Cigna/Dec	CI	n	77– 27	70– 41	49¼	–25	84	6– 6	5.8	7.1	0.23
Cincinnati Bell/Dec	CSN	n	27– 8	27– 19	24⅜	–1	111	16– 6	12.1	11.5	1.23
Cincinnati Financial/Dec	CINF	o	76– 26	68– 37	49½	–26	83	18– 6	8.5	7.4	0.89
Cincinnati G&E/Dec	CIN	n	31– 9	29– 23	25½	–7	104	12– 3	12.4	6.6	0.86
Circle K/Apr	CKP	n	19– 6	19– 7	12⅝	–18	92	21– 8	13.4	11.6	0.21
Circus Circus/Jan	CIR	n	34– 7*	34– 17	25⅞	13	127	29– 9*	15.8	13.1	2.14
Citadel Holding/Dec	CDL	a	61– 10	61– 30	37½	–33	75	9– 3	4.9	4.3	0.36
Citicorp/Dec	CCI	n	34– 14	34– 16	20¼	–22	88	NM– 4	NM	4.9	0.23
Citizens & Southern/Dec	CSOU	o	31– 12	29– 20	25⅛	–11	100	12– 7	10.0	7.9	0.82
Citizens Utilities/Dec	CITUA	o	35– 10	35– 24	31¼	11	125	24– 11	21.1	19.2	4.96
City National/Dec	CTYN	o	31– 8	31– 19	25⅛	5	118	18– 8	12.4	11.4	1.65
CityFed Financial/Dec	CTYF	o	18– 3	13– 3	5	–60	44	46– 2	45.5	13.9	0.08
Clorox/Jun	CLX	n	36– 11	36– 24	33	6	119	17– 7	14.7	13.7	1.50
CMS Energy/Dec	CMS	n	22– 4	20– 11	18⅛	–7	104	8– 2	8.3	6.6	0.53
Coast S&L Assn/Dec	CSA	n	22– 11	22– 13	17¼	–8	103	28– 3	4.0	4.3	0.22
Coastal Corp/Dec	CGP	n	40– 8	40– 21	27⅝	–12	98	32– 5	13.2	9.8	0.17
Coca-Cola†/Dec	KO	n	53– 15	53– 28	39¾	–15	96	21– 11	16.4	14.5	1.93
Coca-Cola Enterprises/Dec	CCE	n	21– 11*	21– 11	15⅞	–9	102	48– 17*	25.2	17.6	0.67
Colgate-Palmolive/Dec	CL	n	53– 20	53– 28	44⅝	–6	106	57– 8	57.2	12.7	0.54
Colorado Natl Bkshs/Dec	COLC	o	22– 9	18– 9	12	–21	88	NM– 6	NM	16.0	0.44
Colt Industries/Dec	COT	n	20– 4	20– 8	19¼	39	155	18– 1	9.0	12.2	0.37
Columbia Gas System/Dec	CG	n	57– 27	57– 28	29	–45	62	13– 5	12.6	10.7	0.46
Columbia S&L Assn/Dec	CSV	n	18– 3	14– 6	7⅝	–44	63	4– 1	2.5	1.7	0.13
Combustion Eng/Dec	CSP	n	45– 23	45– 23	36	–9	101	23– 8	23.4	17.0	0.45
Comcast/Dec	CMCSA	o	19– 3	19– 11	17½	16	130	NM– 15	NM	NA	3.78
Comdisco/Sep	CDO	n	37– 5	37– 12	22⅝	–16	94	31– 4	31.4	9.5	0.77
Comerica/Dec	CMCA	o	48– 16	48– 33	43⅜	12	125	14– 5	10.5	4.7	0.71
Commerce Bcshs/Dec	CBSH	o	42– 17	39– 27	33¾	–10	101	12– 5	8.7	8.1	0.76

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Earnings							Dividends			
net profit margin	latest 12 months EPS	1987 EPS	estimated 1988 EPS	% change '88 vs '87 EPS	number of analysts	confidence factor on estimate	indicated rate	yield	payout ratio	5-year growth rate
5.0%	$2.23	$2.52	$2.41	–4%	2	NM	$0.30	1.8%	13%	NA
5.6	1.78	1.78	1.75	–2	6	average	none	NA	NA	NA
3.9	3.20	3.20	5.18	62	20	low	0.75	1.1	23	–18%
16.4	17.75	17.75	11.26	–37	29	average	3.00	1.8	17	2
10.6	3.59	3.59	3.48	–3	18	very high	1.72	3.6	48	4
20.1	2.82	2.82	2.35	–17	21	low	1.60	9.8	57	1
3.0	1.36	1.36	4.22	210	9	low	1.80	5.1	132	0
1.9	1.56	1.62E	2.13	31	7	low	0.25	1.2	16	1
15.3	3.92	3.92	3.90	–1	26	high	2.44	7.6	62	6
9.3	1.57	1.57	1.70	8	6	average	0.70	5.0	45	14
11.7	3.01	3.01	3.33	11	5	very high	1.08	3.8	36	15
11.9	1.88	1.88	2.16	15	14	average	1.72	7.8	91	2
3.7	0.98	0.17	NA	NA	NA	NA	1.30	14.2	133	127
8.3	4.03	4.03	3.93	–2	21	average	0.80	2.2	20	21
NM	–11.56	–11.56	6.88	NM	26	low	2.16	8.3	NM	5
NM	–16.68	–16.68	7.05	NM	24	very low	2.72	11.5	NM	5
3.9	2.94	2.94	3.35	14	43	low	2.40	5.1	82	–1
2.5	3.59	3.59	4.34	21	7	very high	0.20	0.5	6	0
4.9	5.90	5.90	5.22	–12	26	very low	1.00	4.0	17	65
8.9	7.95	7.95	8.56	8	30	high	2.16	3.5	27	7
4.3	8.53	8.53	6.98	–18	29	low	2.96	6.0	35	2
10.2	2.01	2.01	2.12	5	11	very high	0.96	3.9	48	9
10.6	5.81	5.81	6.70	15	6	average	1.76	3.6	30	14
8.4	2.05	2.05	3.86	88	21	average	2.20	8.6	107	1
2.0	0.94	0.92E	1.09	18	7	average	0.28	2.2	30	4
13.5	1.64	1.64	1.98	21	10	average	none	NA	NA	NA
7.8	7.72	7.72	8.75	13	1	NM	none	NA	NA	NA
4.1	–4.26	–4.26	4.12	NM	32	low	1.35	6.7	NM	4
8.5	2.52	2.52	3.20	27	25	very high	1.12	4.5	44	11
23.3	1.48	1.48	1.63	10	3	very high	1.34	4.3	91	0
13.2	2.02	2.02	2.21	9	5	high	0.64	2.5	32	13
1.0	0.11	0.11	0.36	227	6	very low	0.04	0.8	36	37
10.2	2.25	1.96	2.41	23	17	average	0.88	2.7	39	9
6.7	2.19	2.19	2.74	25	22	low	none	NA	NA	NA
5.5	4.34	4.34	3.97	–9	9	average	0.40	2.3	9	0
1.5	2.10	2.10	2.81	34	18	average	0.40	1.4	19	25
12.0	2.43	2.43	2.75	13	26	very high	1.20	3.0	49	6
2.7	0.63	0.63	0.90	43	11	low	0.05	0.3	8	0
1.0	0.78	0.78	3.52	351	19	high	1.48	3.3	190	3
0.2	0.05	0.05	0.75	NM	8	very low	none	NA	NA	NA
4.6	2.15	2.15	1.58	–27	8	average	none	NA	NA	NA
4.0	2.30	2.30	2.71	18	16	low	3.18	11.0	138	3
9.7	3.04	3.04	4.50	48	1	NM	0.28	3.7	9	0
1.9	1.54	1.54	2.12	38	17	average	1.00	2.8	65	–24
NM	–0.33	–0.33	NA	NA	8	very low	0.12	0.7	NM	36
2.5	0.72	2.26	2.39	6	5	very high	0.24	1.1	33	4
7.5	4.13	4.13	6.18	49	11	high	1.80	4.2	44	4
8.9	3.89	3.89	4.18	7	6	high	1.12	3.3	29	4

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan from Lotus CD Investment; FORBES.

The Forbes 500s on Wall Street

			Stock price			Stock performance—latest 12 months		Stock price ratios—price/earnings			
Company/fiscal year end	Ticker symbol	exch	5-year high-low	12-month high-low	recent	price change	relative to market	5-year high-low	latest 12 months	1988 est	price/sales
Commerce Clearing/Dec	CCLR	o	71– 25	71– 48	63½	1%	113%	25– 12	21.7	18.3	2.07
Commercial Credit/Dec	CCC	n	35– 17*	35– 17	28	8	121	28– 9*	NM	9.6	1.29
Commercial Federal/Jun	CFCN	o	19– 5	19– 8	11¾	–37	71	6– 2	5.0	4.6	0.15
Commonwealth Ed/Dec	CWE	n	38– 22	38– 25	28½	–23	86	8– 5	6.0	7.1	1.06
Community Psych/Nov	CMY	n	32– 11	32– 18	22⅝	–8	103	37– 14	17.1	14.3	3.66
Compaq Computer/Dec	CPQ	n	79– 4*	79– 26	53¼	81	203	15– 7*	14.8	12.6	1.49
Computer Associates/Mar	CA	n	37– 4	37– 15	29½	34	150	39– 9	26.8	17.4	3.84
ConAgra/May	CAG	n	38– 9	38– 21	26½	–19	91	21– 10	14.3	10.8	0.22
Consolidated Edison/Dec	ED	n	53– 21	47– 38	44⅞	–1	111	12– 5	10.2	9.9	1.00
Consol Freightways/Dec	CNF	n	41– 13	41– 23	30⅞	–11	100	21– 8	16.0	13.0	0.51
Consol Natural Gas/Dec	CNG	n	47– 13	47– 29	38½	–4	108	24– 6	17.2	14.3	1.38
Consolidated Papers/Dec	CPER	o	73– 18	73– 47	68¼	15	129	19– 8	15.5	11.9	2.00
Consolidated Rail/Dec	CRR	n	NA–NA	41– 20*	32½	NA	NA	NA–NA	8.4	8.4	0.69
Contel/Dec	CTC	n	40– 18	40– 25	33⅛	–2	110	60– 7	60.2	10.1	0.89
Continental Corp/Dec	CIC	n	55– 24	55– 31	38⅝	–28	81	13– 6	13.4	7.2	0.40
Continental Illinois/Dec	CIL	n	10– 2*	6– 2	3¾	–33	75	NM– 14*	NM	4.7	0.14
Control Data/Dec	CDA	n	63– 15	38– 18	28⅛	–7	104	48– 8	47.7	17.7	0.35
Cooper Industries/Dec	CBE	n	75– 26	75– 39	60⅜	9	122	29– 11	17.4	14.8	0.84
Adolph Coors/Dec	ACCOB	o	32– 12	30– 16	20¾	–27	82	23– 6	15.7	12.4	0.56
CoreStates Financial/Dec	CSFN	o	44– 14	43– 29	38¾	–2	110	13– 5	9.9	8.7	1.05
Corning Glass Works/Dec	GLW	n	82– 30	77– 35	56⅛	–12	98	28– 8	13.7	12.9	1.21
Costco Wholesale/Aug	COST	o	20– 6*	15– 6	14⅝	–1	111	NM– 53*	NM	31.8	0.23
CPC International/Dec	CPC	n	59– 17	59– 26	50⅛	0	112	23– 8	11.6	14.2	0.82
Cray Research/Dec	CYR	n	136– 18	136– 47	81¾	–35	73	41– 10	17.6	15.9	3.66
Crestar Financial/Dec	CRFC	o	36– 12	36– 20	25½	–28	80	15– 6	13.3	7.9	0.76
CrossLand Savings FSB/Dec	CRL	n	25– 7*	19– 7	13¼	–29	79	9– 1*	2.5	3.2	0.18
Crown Cork & Seal/Dec	CCK	n	140– 31	140– 86	104½	–17	9[illegible]	17– 8	12.2	11.3	0.58
CSX/Dec	CSX	n	42– 18	42– 22	30¼	–12	99	15– 6	10.9	9.2	0.58
Cullen/Frost Bankers/Dec	CFBI	o	34– 6	15– 6	9⅛	–33	75	38– 8	38.0	31.5	0.26
Cummins Engine/Dec	CUM	n	95– 41	95– 41	58¼	–28	81	NM– 3	NM	16.6	0.22
Dana/Dec	DCN	n	54– 21	54– 27	38¼	–7	105	30– 6	11.9	9.6	0.38
Dauphin Deposit/Dec	DAPN	o	39– 13	36– 26	30¾	–8	104	15– 6	9.9	9.2	1.31
Dayton Hudson/Jan	DH	n	63– 22	63– 22	37⅞	–20	90	29– 10	15.7	12.0	0.30
DCNY Corp/Dec	DCY	n	30– 8	26– 15	22⅜	–12	98	22– 3	6.0	6.4	0.65
Dean Foods/May	DF	n	39– 13	39– 23	28¾	–14	96	25– 12	16.9	12.6	0.51
Deere/Oct	DE	n	47– 22	47– 23	45¾	58	178	19– 13	19.3	20.2	0.66
Delmarva Power & Lt/Dec	DEW	n	25– 10	22– 16	17¾	–17	93	13– 6	11.1	9.9	1.14
Delta Air Lines/Jun	DAL	n	67– 27	60– 32	49¾	–17	93	41– 5	10.4	9.4	0.38
Deluxe Check/Dec	DLX	n	42– 9	40– 20	27¾	–27	81	29– 10	15.9	14.9	2.49
Deposit Guaranty/Dec	DEPS	o	42– 15	40– 28	34	–13	98	12– 5	10.7	8.2	0.84
Detroit Edison/Dec	DTE	n	19– 12	18– 13	14	–21	89	8– 4	4.3	7.3	0.72
Diamond Shamrock R&M/Dec	DRM	n	NA–NA	18– 7*	13½	NA	NA	NA–NA	32.9	9.5	0.19
Digital Equipment/Jun	DEC	n	200– 32	200–110	110¾	–33	75	29– 10	11.5	10.5	1.36
Dillard Dept Stores/Jan	DDSA	a	58– 9	58– 24	38½	–13	98	23– 7	13.6	11.8	0.56
Dime Savings Bank NY/Dec	DME	o	27– 13*	26– 13	18⅝	–26	83	8– 3*	6.0	4.8	0.46
Walt Disney/Sep	DIS	n	83– 11	83– 41	63⅞	5	118	60– 9	19.4	17.8	2.86
Dominion Bankshares/Dec	DMBK	o	25– 7	24– 15	18⅜	–14	97	14– 6	8.8	7.9	0.82
Dominion Resources/Dec	D	n	52– 20	47– 37	43	–6	105	13– 6	9.5	9.7	1.27

*Range is for less than period indicated. NA: Not available or applicable. NM: Not meaningful. E: Estimate. Stock prices as of Mar. 18, 1988.

Earnings							Dividends			
net profit margin	latest 12 months EPS	1987 EPS	estimated 1988 EPS	% change '88 vs '87 EPS	number of analysts	confidence factor on estimate	indicated rate	yield	payout ratio	5-year growth rate
9.6%	$2.93	$2.93	$3.47	18%	6	very high	$1.28	2.0%	44%	14%
2.0	0.37	0.37	2.91	686	9	high	0.24	0.9	65	0
3.6	2.33	3.01	2.58	–14	5	average	none	NA	NA	NA
19.1	4.73	4.73	4.00	–15	29	low	3.00	10.5	63	2
21.1	1.32	1.32	1.58	20	25	very high	0.32	1.4	24	25
11.1	3.59	3.59	4.23	18	36	average	none	NA	NA	NA
13.1	1.10	1.22E	1.70	39	19	average	none	NA	NA	NA
1.6	1.85	2.07E	2.45	18	14	very high	0.67	2.5	36	12
10.8	4.42	4.42	4.54	3	23	high	3.20	7.1	72	12
3.2	1.93	1.93	2.37	23	20	high	0.90	2.9	47	11
8.0	2.24	2.24	2.69	20	20	average	1.64	4.3	73	13
12.9	4.40	4.40	5.74	30	15	average	1.60	2.3	36	13
8.2	3.88	3.88	3.86	–1	19	high	1.00	3.1	26	0
1.5	0.55	0.55	3.29	498	18	high	2.00	6.0	364	5
3.2	2.89	2.89	5.36	85	27	low	2.60	6.7	90	0
NM	–6.07	–6.07	0.79	NM	10	very low	0.08	2.1	NM	0
0.7	0.59	0.59	1.59	169	22	low	none	NA	NA	NA
4.8	3.47	3.47	4.09	18	21	high	1.80	3.0	52	3
3.6	1.32	1.32	1.68	27	12	low	0.50	2.4	38	6
11.[illegible]	3.91	3.91	4.47	14	23	very high	1.50	3.9	38	13
9.1	4.10	4.10	4.36	6	11	average	1.48	2.6	36	6
0.3	0.18	0.14	0.46	229	9	low	none	NA	NA	NA
7.2	4.34	4.34	3.52	–19	18	high	1.44	2.9	33	2
21.4	4.65	4.65	5.15	11	32	high	none	NA	NA	NA
6.1	1.92	1.92	3.23	68	15	very high	1.12	4.4	58	8
9.5	5.28	5.28	4.14	–22	5	low	0.80	6.0	15	0
5.1	8.59	8.59	9.21	7	6	average	none	NA	NA	NA
5.4	2.78	2.78	3.29	18	27	average	1.24	4.1	45	4
0.7	0.24	0.24	0.29	21	5	very low	none	NA	NA	NA
0.5	0.55	0.55	3.50	536	15	very low	2.20	3.8	400	3
3.5	3.21	3.21	3.98	24	13	very high	1.52	4.0	47	6
13.3	3.12	3.12	3.35	7	2	NM	1.28	4.2	41	12
2.1	2.41	2.41	3.16	31	30	average	1.02	2.7	42	11
10.9	3.74	3.74	3.50	[illegible]	1	NM	1.30	5.8	35	44
3.0	1.70	2.01E	2.28	13	5	high	0.54	1.9	32	5
3.4	2.37	–1.46	2.27	NM	22	very low	0.50	1.1	21	–28
11.2	1.60	1.60	1.79	12	20	high	1.46	8.2	91	4
3.7	4.78	5.90	5.32	–10	21	low	1.20	2.4	25	16
15.7	1.74	1.74	1.86	7	15	high	0.80	2.9	46	24
8.1	3.17	3.17	4.13	30	6	high	1.44	4.2	45	7
19.4	3.25	3.25	1.92	–41	19	average	1.68	12.0	52	4
0.5	0.41	0.41	1.42	246	7	very low	0.40	3.0	98	0
12.4	9.64	8.53	10.52	23	42	very high	none	NA	NA	NA
4.1	2.83	2.83	3.25	15	13	average	0.16	0.4	6	14
7.5	3.08	3.08	3.85	25	9	very low	none	NA	NA	NA
15.4	3.30	3.23	3.59	11	23	high	0.40	0.6	12	4
9.5	2.10	2.10	2.33	11	15	very high	0.76	4.1	36	10
13.2	4.54	4.54	4.45	–2	30	very high	3.08	7.2	68	6

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan from Lotus CD Investment; FORBES.

The Forbes 500s on Wall Street

			Stock price			Stock performance —latest 12 months—		Stock price ratios price/earnings			
Company/fiscal year end	Ticker symbol	exch	5-year high-low	12-month high-low	recent	price change	relative to market	5-year high-low	latest 12 months	1988 est	price/ sales
RR Donnelley & Sons/Dec	DNY	n	45– 16	45– 26	37⅝	–1%	111%	21– 10	13.4	14.7	1.17
Dover/Dec	DOV	n	78– 27	78– 44	64	0	112	25– 11	19.3	15.9	1.34
Dow Chemical/Dec	DOW	n	110– 26	110– 60	88¼	7	120	14– 9	13.6	10.3	1.25
Dow Jones/Dec	DJ	n	56– 23	55– 27	34⅞	–37	71	36– 13	16.6	16.7	2.56
Downey S&L Assn/Dec	DSL	n	27– 3	22– 10	13½	–37	69	19– 1	4.4	4.8	0.55
DPL/Dec	DPL	n	29– 11	28– 22	25⅞	–8	104	21– 4	12.0	7.6	1.14
Dresser Industries/Oct	DI	n	36– 14	36– 18	33⅛	17	131	29– 13	29.1	21.5	0.73
Dreyfus/Dec	DRY	n	46– 7	45– 16	29¾	–33	75	23– 6	13.0	11.1	4.49
EI du Pont de Nemours/Dec	DD	n	131– 39	131– 75	88⅝	–23	87	19– 7	12.0	11.0	0.70
Duke Power/Dec	DUK	n	52– 22	50– 39	45¾	–4	108	13– 6	10.4	10.4	1.25
Dun & Bradstreet/Dec	DNB	n	72– 26	72– 45	51½	–21	89	29– 16	20.0	17.9	2.33
Duquesne Light/Dec	DQU	n	20– 11	15– 11	14⅝	14	127	11– 5	8.1	8.2	1.15
Eastman Kodak/Dec	EK	n	71– 27	71– 40	42⅜	–18	92	42– 11	12.0	10.5	1.03
Eaton/Dec	ETN	n	108– 33	108– 55	79⅞	–1	111	23– 6	11.2	9.2	0.64
Ecolab/Dec	ECL	n	34– 11	34– 19	26⅞	–13	98	22– 5	5.1	12.9	0.70
EG&G/Dec	EGG	n	45– 26	45– 27	36⅜	4	117	26– 14	18.2	15.5	0.82
Emerson Electric/Sep	EMR	n	42– 18	42– 27	33⅞	–8	104	21– 12	16.4	14.8	1.23
Emhart/Dec	EMH	n	27– 11	27– 16	23⅝	16	130	14– 7	13.9	12.4	0.59
Empire of America FSB/Dec	EOA	a	7– 2*	7– 2	3½	–43	64	29– 2*	29.2	NA	0.05
Engelhard/Dec	EC	n	30– 14	29– 15	19¾	–27	82	25– 9	12.3	12.0	0.36
Enron/Dec	ENE	n	55– 24	54– 31	36½	–22	87	NM– 6	NM	18.4	0.29
Enserch/Dec	ENS	n	30– 13	26– 15	18⅜	–20	90	63– 9	63.4	19.3	0.38
Equimark/Dec	EQK	n	7– 2	5– 2	3¼	–33	75	20– 7	20.3	6.9	0.47
Equitable Bancorp/Dec	EBNC	o	30– 7	29– 15	22¾	–19	91	22– 6	10.4	8.2	0.70
Ethyl/Dec	EY	n	32– 5	32– 15	22½	–24	85	22– 7	14.3	12.9	1.05
Exxon/Dec	XON	n	50– 15	50– 33	44⅛	3	115	15– 5	12.9	12.2	0.80
Far West Financial/Dec	FWF	n	20– 5	17– 7	11⅝	–12	98	14– 3	4.4	NA	0.26
Farm & Home Savings/Dec	FAHS	o	28– 11	25– 11	18¼	–25	84	7– 4	6.6	NA	0.43
Farmers Group/Dec	FGRP	o	64– 16	64– 38	63⅝	35	151	18– 7	17.8	15.4	3.84
Federal Express/May	FDX	n	76– 28	76– 35	43¾	–30	79	29– 11	13.4	[illegible]	0.65
Fedl Natl Mortgage Assn/Dec	FNM	n	48– 11	48– 25	35⅛	–22	87	57– 5	7.5	6.9	0.27
Federal Paper Board/Dec	FBO	n	54– 16	54– 22	41	–6	106	62– 6	11.0	8.5	0.77
Federated Dept Strs/Jan	FDS	n	69– 21	69– 28	66¼	34	150	20– 6	19.5	16.9	0.53
Fieldcrest Cannon/Dec	FLD	n	43– 13	41– 13	23	–32	77	NM– 7	NM	15.5	0.17
Fifth Third Bancorp/Dec	FITB	o	43– 11	42– 32	38¼	–1	111	15– 6	12.5	10.3	1.97
Finl Corp of Amer/Dec	FIN	n	33– 1	10– 1	1⅝	–83	19	NM– 2	NM	NA	0.02
Fin Cp Santa Barbara/Dec	FSB	n	18– 3	13– 4	6	–52	53	15– 3	15.4	NA	0.08
Fireman's Fund/Dec	FFC	n	45– 24*	42– 24	29⅜	–28	80	5– 5*	5.1	9.2	0.43
Firestone/Oct	FIR	n	78– 16	78– 23	77¾	115	241	24– 7	24.4	22.8	0.62
First Alabama Bcshs/Dec	FABC	o	27– 7	23– 13	15¼	–33	75	16– 6	8.9	8.2	1.20
First American/Dec	FATN	o	35– 11	35– 20	25⅜	–16	94	14– 6	10.6	8.6	0.91
First Bncp Ohio/Dec	FBOH	o	38– 11	33– 23	28	–16	94	14– 5	9.0	8.2	1.31
First Bank System/Dec	FBS	n	37– 11	37– 18	21⅜	–42	65	29– 5	29.3	5.5	0.51
First Boston/Dec	FBC	n	63– 17	54– 21	24¾	–52	53	15– 4	7.9	8.9	0.23
First Capital/Dec	FCAP	o	32– 8	30– 22	25½	–14	97	12– 6	9.6	8.6	1.04
First Chicago/Dec	FNB	n	35– 17	33– 17	24⅜	–17	93	NM– 5	NM	4.5	0.32
First Citizens Bcshs/Dec	FCNCA	[illegible]	[illegible] 24	38– 24	32	–3	109	16– 9	12.5	NA	1.07
First City Bancorp/Dec	FBT	[illegible]	[illegible] 0	5– 0	0½	–87	14	NM– 6	NM	NM	0.01

*Range is for less than period indicated. NA: Not availa[illegible]able. NM: Not meaningful. E: Estimate. Stock prices as of Mar. 18, 1988.

Earnings							Dividends			
net profit margin	latest 12 months EPS	1987 EPS	estimated 1988 EPS	% change '88 vs '87 EPS	number of analysts	confidence factor on estimate	indicated rate	yield	payout ratio	5-year growth rate
8.8%	$2.80	$2.80	$2.56	–9%	16	average	$0.78	2.1%	28%	13%
7.0	3.31	3.31	4.03	22	13	average	1.12	1.8	34	9
9.3	6.50	6.50	8.59	32	27	low	2.40	2.7	37	6
15.4	2.10	2.10	2.09	0	23	average	0.68	1.9	32	7
12.5	3.10	3.10	2.82	–9	3	average	0.40	3.0	13	8
9.5	2.16	2.16	3.42	58	16	average	2.16	8.3	100	1
2.6	1.14	0.57	1.54	170	29	very low	0.50	1.5	44	–17
35.1	2.28	2.28	2.69	18	6	high	0.68	2.3	30	23
5.9	7.39	7.39	8.05	9	29	very high	3.40	3.8	46	5
13.5	4.40	4.40	4.42	0	28	very high	2.80	6.1	64	4
11.7	2.58	2.58	2.87	11	19	average	1.50	2.9	58	11
17.0	1.81	1.81	1.79	–1	13	low	1.20	8.2	66	–15
8.9	3.52	3.52	4.05	15	23	average	1.80	4.2	51	2
6.4	7.16	7.16	8.73	22	17	average	2.00	2.5	28	23
13.9	5.30	5.30	2.09	–61	18	average	0.62	2.3	12	4
4.5	2.00	2.00	2.34	17	8	very high	0.60	1.6	30	5
7.6	2.07	2.00	2.29	14	19	very high	1.00	3.0	48	2
4.3	1.70	1.70	1.90	12	7	very high	0.80	3.4	47	2
0.8	0.12	0.12	NA	NA	NA	NA	0.26	7.4	217	0
2.8	1.60	1.60	1.65	3	10	average	0.52	2.6	33	6
0.1	–0.86	–0.86	1.98	NM	24	low	2.48	6.8	NM	2
1.1	0.29	0.29	0.95	228	16	very low	0.80	4.4	276	–17
3.3	0.16	0.16	0.47	194	3	low	none	NA	NA	NA
8.6	2.19	2.19	2.76	26	4	high	0.92	4.0	42	23
7.5	1.57	1.57	1.75	11	22	high	0.44	2.0	28	19
6.3	3.43	3.43	3.61	5	43	average	2.00	4.5	58	5
5.9	2.62	2.62	NA	NA	NA	NA	0.40	3.4	15	0
6.6	2.77	2.77	NA	NA	NA	NA	1.00	5.5	36	0
21.8	3.57	3.57	4.14	16	17	high	1.44	2.3	40	9
4.9	3.27	3.64E	4.33	19	13	high	none	NA	NA	NA
3.7	4.66	4.66	5.06	9	17	average	0.48	1.4	10	16
7.2	3.72	3.72	4.84	30	13	average	1.00	2.4	27	8
2.8	3.40	3.40	3.92	15	24	high	1.48	2.2	44	5
NM	–0.36	–0.36	1.48	NM	8	very low	0.68	3.0	NM	–13
15.7	3.05	3.05	3.70	21	8	very high	1.08	2.8	35	21
NM	–13.29	–13.29	NA	NA	NA	NA	none	NA	NA	NA
0.6	0.39	0.39	NA	NA	NA	NA	0.10	1.7	26	0
9.2	5.71	5.71	3.21	–44	24	low	0.50	1.7	9	0
2.8	3.19	3.36	3.41	1	10	average	1.20	1.5	38	6
13.5	1.71	1.71	1.85	8	8	high	0.80	5.2	47	14
8.5	2.39	2.39	2.96	24	13	high	1.25	4.9	52	14
14.6	3.12	3.12	3.40	9	2	NM	1.35	4.8	43	10
2.0	0.73	0.73	3.91	436	22	average	1.64	7.7	225	20
3.2	3.12	3.12	2.79	–11	11	very low	1.00	4.0	32	10
10.9	2.67	2.67	2.95	10	3	very high	0.88	3.5	33	11
NM	–10.71	–10.71	5.40	NM	24	low	1.50	6.2	NM	3
8.6	2.57	2.57	NA	NA	NA	NA	0.24	0.8	9	0
NM	–12.72	–12.72	–2.37	NM	4	very low	none	NA	NA	NA

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan from Lotus CD Investment; Forbes.

The Forbes 500s on Wall Street

			Stock price			Stock performance —latest 12 months—		Stock price ratios price/earnings			
Company/fiscal year end	Ticker symbol	exch	5-year high-low	12-month high-low	recent	price change	relative to market	5-year high-low	latest 12 months	1988 est	price/ sales
First Columbia Finl/Dec	FCLF	o	30– 3	16– 3	3½	–75%	28%	NM– 9	NM	NA	0.03
First Commerce/Dec	FCOM	o	29– 14	20– 14	18⅜	13	127	12– 8	12.2	10.6	0.60
First Empire State/Dec	FEMP	o	59– 13	59– 35	50	6	119	21– 7	10.5	7.8	0.82
First Executive/Dec	FEXC	o	23– 6	21– 8	12⅜	–26	83	20– 4	6.9	6.0	0.26
First Federal Mich/Dec	FFOM	o	30– 6*	27– 9	13⅜	–50	56	6– 2*	4.1	7.5	0.12
First Fidelity Bncp/Dec	FFB	n	47– 17	36– 21	28⅜	–34	73	38– 4	23.1	6.2	0.62
First Florida Banks/Dec	FFBK	o	37– 12	36– 21	28⅜	–20	89	13– 6	9.4	8.9	1.03
First Hawaiian/Dec	FHWN	o	31– 8	31– 18	23	–22	87	13– 5	8.7	7.9	0.93
First Interstate Bnc/Dec	I	n	67– 30	63– 35	44½	–25	84	NM– 5	NM	6.2	0.40
First Kentucky Natl/Dec	FKYN	o	31– 8	28– 18	25	–8	103	21– 6	19.1	9.4	1.09
First Maryland Bncp/Dec	FMDB	o	34– 9	34– 15	22¾	–22	88	16– 6	8.6	7.7	0.57
First National Cinc/Dec	FNAC	o	50– 16	50– 34	42½	2	114	16– 6	12.6	11.0	1.27
First of America Bank/Dec	FABK	o	54– 13	52– 34	47¼	–6	105	10– 4	8.0	7.7	0.68
First Pennsylvania/Dec	FPA	n	11– 5	11– 7	10⅛	–9	102	NM–NM	NM	9.3	0.72
First RepublicBank/Dec	FRB	n	38– 1	26– 1	1⅞	–92	9	NM– 5	NM	NM	0.03
First Security/Dec	FSCO	o	36– 15	36– 20	25	–6	106	64– 5	11.3	9.7	0.63
First Tennessee Natl/Dec	FTEN	o	37– 13	36– 20	26⅜	–21	88	15– 6	12.0	7.7	0.71
First Union/Dec	FUNC	o	30– 10	29– 16	20⅝	–26	83	13– 6	8.1	7.3	0.87
First Virginia Banks/Dec	FVB	n	38– 15	35– 21	26	–25	84	14– 7	9.5	8.5	1.19
First Wachovia/Dec	FW	n	46– 18	46– 31	37	–18	91	14– 7	11.4	8.5	1.12
First Wisconsin/Dec	FWB	n	33– 8	32– 18	24⅛	–7	104	NM– 4	NM	8.0	0.70
Fleet/Norstar Finl/Dec	FNG	n	31– 10	30– 17	24⅜	–17	93	17– 5	13.2	8.0	0.93
Fleetwood Enterprises/Apr	FLE	n	42– 14	32– 14	21⅞	–29	80	20– 6	11.2	10.3	0.36
Fleming Cos/Dec	FLM	n	46– 22	46– 22	29½	–34	73	27– 9	15.9	10.2	0.09
FlightSafety Intl/Dec	FSI	n	43– 13	43– 24	40½	59	178	26– 12	21.7	NA	6.99
Florida Federal S&L/Jun	FLFE	o	23– 4*	17– 4	6	–60	44	NM– 7*	NM	NA	0.11
Florida Natl Banks/Dec	FNBF	o	29– 10	24– 11	14½	–39	68	26– 4	11.9	9.3	0.56
Florida Progress/Dec	FPC	n	47– 18	40– 29	34⅝	–8	103	13– 6	9.3	9.6	0.90
Fluor/Oct	FLR	n	24– 11	22– 11	19	19	133	25– 12	24.7	34.5	0.37
FMC/Dec	FMC	n	60– 7	60– 24	29⅞	–4	107	53– 1	6.6	8.5	0.32
Food Lion/Dec	FDLNB	o	15– 1	15– 7	11	38	154	58– 15	40.7	31.4	1.20
Ford Motor/Dec	F	n	56– 8	56– 30	44¾	10	123	6– 2	4.9	5.8	0.30
Fort Howard/Dec	FHP	n	62– 23	62– 32	40	–28	80	28– 12	17.1	14.2	1.53
Fortune Financial/Sep	FORF	o	35– 13	32– 17	21	–22	87	12– 4	7.3	8.9	0.36
FPL Group/Dec	FPL	n	38– 18	34– 24	29½	–9	102	15– 7	9.5	9.0	0.70
Freeport-McMoRan/Dec	FTX	n	31– 14	31– 17	27½	9	123	55– 8	8.1	13.9	1.27
GAF/Dec	GAF	n	70– 7	70– 32	54¼	31	147	49– 8	18.5	14.5	1.80
Gannett/Dec	GCI	n	56– 17	56– 26	38⅝	–22	87	30– 13	19.5	16.2	2.03
Gap/Jan	GPS	n	78– 4	78– 16	23⅜	–60	45	40– 7	12.0	10.6	0.79
Geico/Dec	GEC	n	137– 43	137– 90	122	–1	111	21– 10	12.5	13.1	1.25
GenCorp/Nov	GY	n	40– 9	40– 19	20⅞	–43	64	2– 2	2.1	7.4	1.23
Genentech/Dec	GNE	n	65– 7	65– 26	43⅞	–25	84	NM–NM	NM	32.3	15.78
General Cinema/Oct	GCN	n	32– 8	32– 14	18⅝	–26	83	29– 6	16.8	14.9	0.94
General Dynamics/Dec	GD	n	89– 41	77– 43	57⅛	–25	84	6– 4	5.6	5.5	0.26
General Electric/Dec	GE	n	66– 23	66– 39	44	–18	92	24– 10	18.9	12.0	1.01
General Instrument/Feb	GRL	n	60– 13	48– 22	34⅜	22	136	NM– 13	NM	13.1	1.04
General Mills/May	GIS	n	62– 18	62– 41	50⅜	–5	107	18– 7	17.9	13.2	0.80
General Motors/Dec	GM	n	94– 50	94– 50	72	–8	103	13– 4	7.2	8.5	0.22

*Range is for less than period indicated. NA: Not available or applicable. NM: Not meaningful. E: Estimate. Stock prices as of Mar. 18, 1988.

Earnings							Dividends			
net profit margin	latest 12 months EPS	1987 EPS	estimated 1988 EPS	% change '88 vs '87 EPS	number of analysts	confidence factor on estimate	indicated rate	yield	payout ratio	5-year growth rate
NM	$-4.49	$-4.49	NA	NA	1	NM	none	NA	NA	NA
5.7%	1.51	1.51	$1.74	15%	8	high	$1.20	6.5%	79%	3%
8.6	4.78	4.78	6.43	35	6	average	0.80	1.6	17	14
5.1	1.79	1.79	2.07	16	13	very low	none	NA	NA	NA
3.1	3.30	3.30	1.78	-46	6	low	0.48	3.6	15	0
3.6	1.23	1.23	4.60	274	14	very high	1.84	6.5	150	8
11.1	3.02	3.02	3.19	6	6	very high	0.72	2.5	24	16
10.7	2.65	2.65	2.91	10	3	very high	1.10	4.8	42	11
NM	-11.99	-11.99	7.19	NM	25	average	2.80	6.3	NM	6
5.7	1.31	1.31	2.65	102	7	high	0.94	3.8	72	16
7.6	2.65	2.65	2.94	11	8	average	0.83	3.6	31	8
10.1	3.38	3.38	3.86	14	7	average	1.64	3.9	49	10
10.2	5.93	5.93	6.14	4	11	high	1.80	3.8	30	18
NM	-2.17	-2.17	1.09	NM	7	low	none	NA	NA	NA
NM	-22.31	-22.31	-7.09	NM	14	very low	none	NA	NA	NA
5.6	2.21	2.21	2.58	17	7	average	1.10	4.4	50	-6
5.9	2.19	2.19	3.44	57	11	average	1.24	4.7	57	8
10.8	2.55	2.55	2.81	10	32	very high	0.80	3.9	31	17
12.6	2.75	2.75	3.05	11	10	very high	1.08	4.2	39	12
9.8	3.24	3.24	4.36	35	31	very high	1.36	3.7	42	12
NM	-2.75	-2.75	3.03	NM	8	very high	0.92	3.8	NM	17
7.3	1.85	1.85	3.05	65	25	high	1.40	5.7	76	10
3.3	1.96	2.09E	2.12	1	4	average	0.60	2.7	31	17
0.6	1.86	1.86	2.90	56	12	average	1.00	3.4	54	-2
32.2	1.87	1.87	NA	NA	NA	NA	0.20	0.5	11	15
NM	-3.63	-2.26	NA	NA	NA	NA	none	NA	NA	NA
4.7	1.22	1.22	1.56	28	7	average	0.48	3.3	39	3
9.6	3.74	3.74	3.62	-3	28	high	2.48	7.2	66	6
1.5	0.77	0.24	0.55	129	14	very low	none	NA	NA	NA
6.1	4.54	4.54	3.51	-23	7	low	none	NA	NA	NA
2.9	0.27	0.27	0.35	30	12	very high	0.06	0.5	22	66
6.3	9.05	9.05	7.71	-15	24	low	2.00	4.5	22	57
9.0	2.34	2.34	2.82	21	20	high	1.20	3.0	51	16
5.3	2.89	3.60	2.37	-34	4	low	0.20	1.0	7	0
7.4	3.10	3.10	3.26	5	27	high	2.12	7.2	68	4
16.4	3.38	3.38	1.98	-41	14	low	0.60	2.2	18	0
12.0	2.93	2.93	3.73	27	6	average	0.10	0.2	3	24
10.4	1.98	1.98	2.38	20	25	very high	1.00	2.6	51	12
6.6	1.95	1.95	2.20	13	22	average	0.50	2.1	26	54
10.3	9.78	9.78	9.31	-5	21	high	1.64	1.3	17	16
29.3	9.87	9.87	2.81	-72	10	average	0.60	2.9	6	2
19.3	0.50	0.50	1.36	172	20	low	none	NA	NA	NA
6.0	1.11	0.94	1.25	33	11	average	0.36	1.9	32	19
4.7	10.26	10.26	10.30	0	25	low	1.00	1.8	10	4
5.4	2.33	2.33	3.66	57	24	very high	1.40	3.2	60	8
NM	-1.37	1.95E	2.63	35	12	average	0.25	0.7	NM	-20
4.5	2.82	3.30E	3.83	16	23	very high	1.60	3.2	57	5
3.5	10.06	10.06	8.50	-16	25	low	5.00	6.9	50	9

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan from Lotus CD Investment; FORBES.

The Forbes 500s on Wall Street

			Stock price			Stock performance —latest 12 months—		Stock price ratios			
								price/earnings			
Company/fiscal year end	Ticker symbol	exch	5-year high-low	12-month high-low	recent	price change	relative to market	5-year high-low	latest 12 months	1988 est	price/sales
General Public Utils/Dec	GPU	n	33– 7	33– 22	32	21%	136%	17– 5	7.8	7.8	0.75
General Re/Dec	GRN	n	70– 23	68– 46	51⅝	–21	88	11– 9	10.5	9.2	1.47
General Signal/Dec	GSX	n	61– 33	61– 33	52	7	120	43– 11	21.1	16.0	0.89
Genuine Parts/Dec	GPC	n	44– 16	44– 27	39⅞	14	127	25– 11	21.2	17.7	1.18
Georgia Gulf/Dec	GGC	n	69– 20*	69– 28	63¾	62	182	16– 4*	10.1	NA	1.19
Georgia-Pacific/Dec	GP	n	53– 18	53– 23	37⅝	–27	81	46– 5	8.9	8.7	0.46
Giant Food/Feb	GFSA	a	42– 9	42– 24	33⅞	11	124	25– 7	16.1	12.5	0.38
Gibraltar Financial/Dec	GFC	n	16– 3	13– 3	3½	–72	32	NM– 2	NM	3.4	0.06
Gillette/Dec	GS	n	46– 10	46– 18	40	37	154	20– 8	20.0	16.1	1.46
GlenFed/Jun	GLN	n	34– 7*	33– 17	23¼	–21	88	8– 3*	4.2	4.5	0.32
Golden Nugget/Dec	GNG	n	14– 8	14– 8	10⅜	–11	98	3– 3	2.5	19.2	1.17
Golden West Finl/Dec	GDW	n	47– 7	44– 21	27¼	–36	72	14– 3	5.6	5.4	0.67
Goldome/Dec	GDM	n	NA–NA	7– 3*	3⅜	NA	NA	NA–NA	NA	3.2	0.07
BF Goodrich/Dec	GR	n	65– 25	65– 28	52	–7	104	18– 8	17.5	11.1	0.60
Goodyear/Dec	GT	n	77– 23	77– 35	65¾	20	134	43– 4	5.2	7.9	0.38
WR Grace/Dec	GRA	n	37– 18	37– 19	27⅞	–10	100	15– 10	14.8	13.7	0.52
WW Grainger/Dec	GWW	n	72– 23	72– 43	62	37	154	23– 11	19.7	16.7	1.30
Gt Am First Savings/Dec	GTA	n	25– 5*	23– 10	13	–43	64	10– 3*	3.5	4.0	0.22
Great A&P Tea/Feb	GAP	n	47– 10	47– 29	36¼	10	123	20– 10	13.9	11.4	0.15
Great Lakes Bancorp/Dec	GLBC	o	28– 5*	27– 12	19¼	–27	81	7– 2*	3.7	4.6	0.25
Great Lakes Chemical/Dec	GLK	a	77– 19	77– 40	62¼	27	142	28– 11	18.6	14.7	2.27
Gt Northern Nekoosa/Dec	GNN	n	61– 14	61– 27	44⅞	–3	108	27– 6	12.2	8.7	0.94
Gt Western Financial/Dec	GWF	n	24– 7	24– 12	13⅞	–36	71	15– 5	8.3	6.0	0.44
Greater NY Savings/Dec	GRTR	o	NA–NA	11– 5*	7¼	NA	NA	NA–NA	NM	4.9	0.40
Greyhound/Dec	G	n	46– 19	46– 19	30	–18	92	39– 9	38.5	11.7	0.45
Grumman/Dec	GQ	n	36– 17	31– 17	25	–15	95	18- 6	NM	10.2	0.25
GTE/Dec	GTE	n	45– 23	45– 29	38⅜	–9	102	14– 6	11.7	10.7	0.81
Gulf & Western/Oct	GW	n	94– 23	94– 60	81⅜	3	115	26– 7	14.3	12.9	1.01
Gulf States Utils/Dec	GSU	n	17– 5	9– 5	5⅝	–38	70	7– 3	3.4	3.9	0.42
Halliburton/Dec	HAL	n	47– 17	43– 20	34⅜	–4	108	NM– 9	NM	27.7	1.07
Hanover Insurance/Dec	HINS	o	38– 10	38– 21	25	–33	75	65– 5	4.6	5.0	0.37
Harcourt Brace†/Dec	HBJ	n	64– 2	13– 4	8⅝	55	174	7– 6	7.3	NM	0.34
Harris Corp/Jun	HRS	n	49– 22	43– 22	30	–21	89	29– 10	13.4	12.4	0.57
HJ Heinz/Apr	HNZ	n	52– 13	52– 34	44⅜	–8	104	22– 9	15.7	13.6	1.11
Henley Group/Dec	HENG	o	31– 17*	31– 18	24¾	0	111	NA–NA*	NM	NM	0.66
Hercules/Dec	HPC	n	74– 27	74– 40	52¼	–14	97	20– 4	3.5	12.3	0.95
Hershey Foods/Dec	HSY	n	38– 9	38– 21	27⅛	–1	111	23– 9	16.5	14.1	1.01
Hewlett-Packard/Oct	HWP	n	74– 29	74– 36	61⅞	1	113	31– 12	22.4	18.7	1.84
Hibernia/Dec	HIBCA	o	28– 9	28– 19	22⅞	–8	103	12– 6	9.3	8.4	0.94
Hillenbrand Inds/Nov	HB	n	31– 9	31– 19	29⅝	0	112	23– 9	19.6	16.3	1.54
Hills Dept Stores/Jan	HDS	n	NA–NA	13– 5*	9	NA	NA	15–NA	15.0	8.6	0.11
Hilton Hotels/Dec	HLT	n	92– 43	92– 55	89⅞	–1	111	22– 11	16.1	17.2	2.70
Himont/Oct	HMT	n	54– 23	54– 23	40⅞	–2	110	18– 7	11.1	10.0	2.07
Holiday†/Dec	HIA	n	82– 12	81– 15	26½	14	128	20– 5	5.7	21.2	0.42
Holly Farms/May	HFF	n	52– 12	51– 24	29⅞	–41	67	16– 6	11.8	10.9	0.34
Home Depot/Jan	HD	n	28– 7	28– 12	25	29	145	22– 12	22.1	17.7	0.85
Home Federal S&L/Dec	HFD	n	39– 12*	36– 19	25⅝	–27	81	25– 4*	5.5	5.6	0.43
Home Group/Dec	HME	n	32– 11*	24– 11	13	–44	63	11– 4*	4.0	4.3	0.18

*Range is for less than period indicated. †Prices are as originally reported, adjusted for splits: stock performance includes value of special distributions. NA: Not available or applicable. NM: Not meaningful. E: Estimate. Stock prices as of Mar. 18, 1988.

Earnings							Dividends			
net profit margin	latest 12 months EPS	1987 EPS	estimated 1988 EPS	% change '88 vs '87 EPS	number of analysts	confidence factor on estimate	indicated rate	yield	payout ratio	5-year growth rate
9.7%	$4.12	$4.12	$4.08	–1%	21	average	$1.20	3.8%	29%	0%
14.5	4.92	4.92	5.61	14	27	very high	1.20	2.3	24	12
4.3	2.46	2.46	3.25	32	13	average	1.80	3.5	73	2
5.7	1.88	1.88	2.25	20	27	very high	1.04	2.6	55	13
13.0	6.29	6.29	NA	NA	NA	NA	0.80	1.3	13	0
5.3	4.23	4.23	4.33	2	26	average	1.20	3.2	28	14
2.4	2.11	2.31E	2.70	17	9	high	0.66	1.9	31	24
NM	–6.36	–6.36	1.02	NM	10	low	none	NA	NA	NA
7.3	2.00	2.00	2.48	24	21	average	0.86	2.2	43	0
6.6	5.53	6.02	5.14	–15	14	high	1.00	4.3	18	0
70.9	4.16	4.16	0.54	–87	8	very low	none	NA	NA	NA
11.9	4.84	4.84	5.05	4	18	average	0.24	0.9	5	39
0.0	NA	NA	1.05	NM	1	NM	none	NA	NA	NA
3.7	2.97	2.97	4.70	58	14	low	1.72	3.3	58	0
7.8	12.73	12.73	8.34	–34	10	high	1.60	2.4	13	–2
3.6	1.89	1.89	2.04	8	15	average	1.40	5.0	74	0
6.9	3.14	3.14	3.72	18	17	high	0.80	1.3	25	7
6.2	3.67	3.67	3.26	–11	11	low	0.60	4.6	16	55
1.0	2.60	2.60	3.17	22	3	high	0.50	1.4	19	0
6.6	5.16	5.16	4.17	–19	3	average	0.60	3.1	12	136
11.6	3.34	3.34	4.23	27	16	average	0.68	1.1	20	26
7.7	3.68	3.68	5.14	40	20	average	0.92	2.0	25	7
5.3	1.67	1.67	2.33	40	20	low	0.72	5.2	43	26
6.1	NA	NA	1.48	NM	2	NM	0.32	4.4	NM	0
1.3	0.78	0.78	2.56	228	10	low	1.32	4.4	169	3
0.0	–0.13	–0.13	2.46	NM	14	average	1.00	4.0	NM	6
7.3	3.29	3.29	3.60	9	26	average	2.52	6.6	77	6
7.3	5.70	5.76	6.31	10	22	very high	1.40	1.7	25	7
16.8	1.65	1.65	1.45	–12	21	low	none	NA	NA	NA
1.4	0.45	0.45	1.24	176	31	very low	1.00	2.9	222	–15
7.9	5.42	5.42	4.99	–8	7	low	0.36	1.4	7	–9
5.5	1.19	1.19	–0.13	NM	2	NM	none	NA	NA	NA
4.4	2.24	2.05	2.42	18	17	very high	0.88	2.9	39	0
7.4	2.83	2.87E	3.26	14	20	very high	1.24	2.8	44	15
NM	–2.87	–2.87	0.14	NM	5	very low	none	NA	NA	NA
30.5	14.74	14.74	4.24	–71	24	average	1.92	3.7	13	7
6.1	1.64	1.64	1.93	18	21	very high	0.62	2.3	38	12
8.3	2.76	2.50	3.31	32	43	average	0.26	0.4	9	8
10.0	2.45	2.45	2.71	11	13	very high	1.04	4.5	42	5
7.9	1.51	1.51	1.82	21	6	high	0.40	1.3	26	11
1.3	0.60	0.60	1.05	75	2	NM	none	NA	NA	NA
17.2	5.59	5.59	5.24	–6	15	very high	1.80	2.0	32	0
18.8	3.68	3.77	4.08	8	19	average	1.20	2.9	33	0
6.9	4.69	4.69	1.25	–73	10	very low	none	NA	NA	NA
2.8	2.53	2.00E	2.75	38	5	average	1.32	4.4	52	13
3.7	1.13	1.13	1.41	25	15	high	0.08	0.3	7	0
8.0	4.69	4.69	4.56	–3	17	low	0.20	0.8	4	0
6.9	3.22	3.22	3.05	–5	13	low	0.20	1.5	6	0

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan from Lotus CD Investment; Forbes.

The Forbes 500s on Wall Street

			Stock price			Stock performance —latest 12 months—		Stock price ratios price/earnings			
Company/fiscal year end	Ticker symbol	exch	5-year high-low	12-month high-low	recent	price change	relative to market	5-year high-low	latest 12 months	1988 est	price/ sales
Homestake Mining/Dec	HM	n	24– 10	24– 13	15¼	6%	119%	10– 8	10.1	23.8	4.86
Homestead Financial/Dec	HFL	n	12– 4	12– 4	7⅛	–39	68	11– 2	3.6	3.8	0.16
Honeywell/Dec	HON	n	91– 44	91– 49	67¾	–5	106	12– 7	11.8	10.2	0.43
Horizon Bancorp/Dec	HZB	n	66– 13	66– 51	60⅜	5	118	15– 5	12.3	11.1	1.43
Geo A Hormel/Oct	HRL	a	29– 6	29– 16	25¾	34	150	27– 7	18.3	16.7	0.00
Hospital Corp/Dec	HCA	n	57– 24	50– 24	32¼	–9	101	NM– 9	NM	9.0	0.57
Household Intl/Dec	HI	n	63– 24	63– 33	55¼	–3	108	21– 6	9.9	9.2	0.56
Houston Industries/Dec	HOU	n	39– 18	38– 27	31⅞	–14	97	16– 5	8.5	8.5	1.03
Howard Savings Bank/Dec	HWRD	o	38– 6*	38– 16	24	–1	111	14– 6*	10.0	8.3	0.81
Hubbell/Dec	HUBB	a	42– 14	42– 26	35⅛	–4	108	18– 9	14.7	13.3	1.55
Humana/Aug	HUM	n	37– 16	30– 16	25¾	11	125	60– 8	13.1	11.6	0.82
Huntington Bshs/Dec	HBAN	o	31– 8	27– 19	24¼	–8	103	16– 5	15.3	8.4	0.93
IC Industries/Dec	ICX	n	41– 10	41– 22	35¾	20	134	16– 6	16.0	15.4	0.95
ICH/Dec	ICH	a	33– 4	18– 6	7	–59	46	14– 3	2.9	3.4	0.15
Illinois Power/Dec	IPC	n	32– 18	29– 21	22⅞	–19	90	8– 4	6.1	8.1	1.29
Illinois Tool Works/Dec	ITW	n	50– 10	50– 25	38	–2	110	32– 9	18.4	15.4	1.16
Imperial Corp of Am/Dec	ICA	n	19– 5	19– 7	10⅞	–42	65	75– 2	3.2	2.8	0.15
IMS International/Dec	IMSI	o	41– 5	41– 20	39⅝	32	148	37– 11	28.5	29.8	3.85
Independence Bancorp/Dec	INBC	o	36– 12	35– 20	25½	–18	91	12– 6	9.1	7.9	1.00
Indiana National/Dec	INAT	o	48– 11	47– 29	37¼	–5	106	20– 3	17.7	8.7	1.01
Ingersoll-Rand/Dec	IR	n	46– 14	46– 23	41⅛	29	145	23– 11	20.8	14.8	0.80
Inland Steel Inds/Dec	IAD	n	35– 15	35– 17	33	36	152	11– 5	10.7	8.7	0.32
Integrated Resources/Dec	IRE	n	46– 12	33– 15	21	–25	84	25– 4	6.8	5.3	0.15
Intel/Dec	INTC	o	42– 11	42– 18	31¾	20	135	32– 13	32.4	16.3	2.80
Interco/Feb	ISS	n	54– 28	54– 30	45⅛	–1	111	19– 8	12.7	11.2	0.52
Intergraph/Dec	INGR	o	41– 14	31– 17	28¾	16	130	61– 12	23.4	18.0	2.53
IBM/Dec	IBM	n	176– 99	176–102	113⅞	–23	86	23– 10	13.1	11.5	1.25
Intl Flavors & Frags/Dec	IFF	n	58– 23	58– 37	50⅞	6	119	23– 12	18.0	15.5	2.58
Intl Minerals & Chem/Jun	IGL	n	53– 25	53– 28	44⅛	39	156	16– 9	15.5	13.8	0.65
Intl Multifoods/Feb	IMC	n	40– 15	40– 23	31¾	10	124	25– 6	7.1	12.4	0.29
International Paper/Dec	IP	n	58– 22	58– 27	44⅜	–15	96	56– 7	12.1	9.4	0.64
Ipalco Enterprises/Dec	IPL	n	30– 13	26– 19	22¾	–9	102	15– 6	9.6	9.8	1.54
Irving Bank/Dec	V	n	79– 22	79– 38	55	17	131	NM– 4	NM	7.3	0.47
ITT/Dec	ITT	n	66– 21	66– 42	47⅜	–27	82	37– 6	6.6	7.8	0.33
James River Corp Va/Apr	JR	n	44– 16	44– 19	25½	–37	70	23– 7	11.4	9.2	0.42
Jefferson-Pilot/Dec	JP	n	43– 14	43– 23	33⅝	–2	110	17– 6	9.0	11.9	1.26
Jefferson Smurfit/Dec	JJSC	o	79– 8*	79– 34	58	5	117	29– 7*	12.2	9.1	1.02
Johnson & Johnson/Dec	JNJ	n	105– 28	105– 55	85½	–6	105	40– 11	17.7	15.5	1.84
Johnson Controls/Sep	JCI	n	40– 17	40– 21	34⅞	12	125	19– 8	14.2	13.1	0.45
Jostens/Jun	JOS	n	25– 8	24– 15	22⅝	-2	110	28– 9	9.5	17.8	1.41
K mart/Jan	KM	n	48– 18	48– 22	36	–14	96	16– 7	10.6	9.6	0.28
KaiserTech/Dec	KLU	n	23– 8	23– 8	11¾	–34	74	NM–NM	NM	8.5	0.27
Kansas City P&L/Dec	KLT	n	32– 14	31– 21	26⅝	–9	102	13– 3	8.8	9.0	1.17
Kansas Gas & Elec/Dec	KGE	n	26– 10	26– 16	20	–14	96	20– 4	8.5	13.4	1.51
Kansas Power & Light/Dec	KAN	n	32– 13	28– 20	24⅝	–8	104	13– 5	10.0	9.9	0.73
Kaufman & Broad/Nov	KB	n	19– 5*	19– 9	13¾	–27	82	15– 5*	7.5	6.3	0.28
Kellogg/Dec	K	n	69– 13	69– 38	52¾	–13	98	23– 8	16.5	13.8	1.72
Kelly Services/Dec	KELYA	o	49– 9	49– 27	46½	24	138	28– 10	22.1	19.2	0.96

*Range is for less than period indicated. NA: Not available or applicable. NM: Not meaningful. E: Estimate. Stock prices as of Mar. 18, 1988.

Earnings							Dividends			
net profit margin	latest 12 months EPS	1987 EPS	estimated 1988 EPS	% change '88 vs '87 EPS	number of analysts	confidence factor on estimate	indicated rate	yield	payout ratio	5-year growth rate
47.8%	$1.51	$1.51	$0.64	–58%	21	low	$0.20	1.3%	13%	4%
4.8	1.96	1.96	1.88	–4	3	very low	0.25	3.5	13	13
3.8	5.75	5.75	6.63	15	22	high	2.10	3.1	37	–1
12.0	4.91	4.91	5.43	11	4	high	1.60	2.6	33	15
2.2	1.41	1.20	1.54	28	8	average	0.36	1.4	26	NA
NM	–0.71	–0.71	3.59	NM	30	average	0.72	2.2	NM	18
6.4	5.57	5.57	5.99	8	11	high	2.00	3.6	36	2
12.0	3.74	3.74	3.75	0	25	average	2.88	9.0	77	6
8.2	2.41	2.41	2.89	20	4	average	0.48	2.0	20	0
10.8	2.39	2.39	2.65	11	10	very high	1.00	2.8	42	12
6.3	1.96	1.86	2.22	19	27	high	0.80	3.1	41	13
6.1	1.58	1.58	2.88	82	9	very high	0.84	3.5	53	11
6.3	2.23	2.23	2.32	4	18	average	0.88	2.5	39	10
5.9	2.43	2.43	2.08	–14	5	high	none	NA	NA	NA
23.7	3.75	3.75	2.81	–25	22	low	2.64	11.5	70	–2
6.3	2.06	2.06	2.46	19	8	high	0.40	1.1	19	7
4.7	3.40	3.40	3.95	16	7	low	0.60	5.5	18	0
13.9	1.39	1.39	1.33	–4	12	very high	0.20	0.5	14	38
10.8	2.79	2.79	3.21	15	5	very high	0.28	1.1	10	0
5.7	2.11	2.11	4.26	102	7	very high	1.28	3.4	61	16
4.1	1.98	1.98	2.77	40	18	average	1.04	2.5	53	0
3.2	3.09	3.09	3.80	23	14	very low	0.50	1.5	16	0
5.0	3.08	3.08	4.00	30	1	NM	none	NA	NA	NA
9.2	0.98	0.98	1.95	99	34	average	none	NA	NA	NA
4.4	3.56	3.49E	4.03	15	9	average	1.60	3.5	45	3
10.9	1.23	1.23	1.60	30	28	average	none	NA	NA	NA
9.7	8.72	8.72	9.89	13	44	very high	4.40	3.9	50	4
14.3	2.83	2.83	3.28	16	14	high	1.60	3.1	57	14
5.1	2.84	0.49	3.20	553	14	very low	1.00	2.3	35	–26
3.9	4.45	2.27E	2.57	13	5	very high	1.18	3.7	27	2
5.2	3.68	3.68	4.72	28	20	average	1.20	2.7	33	–4
16.1	2.38	2.38	2.31	–3	22	average	1.64	7.2	69	3
NM	–10.83	–10.83	7.54	NM	10	low	2.42	4.4	NM	6
5.6	7.20	7.20	6.11	–15	16	very high	1.25	2.6	17	–22
4.0	2.23	2.38E	2.77	16	20	average	0.40	1.6	18	13
14.0	3.72	3.72	2.82	–24	17	average	1.20	3.6	32	12
8.4	4.77	4.77	6.38	34	2	NM	0.24	0.4	5	60
11.0	4.83	4.83	5.53	14	31	very high	1.68	2.0	35	10
3.4	2.46	2.20	2.67	21	10	average	1.10	3.2	45	6
14.9	2.37	1.22	1.27	4	8	high	0.56	2.5	24	8
2.7	3.40	3.40	3.74	10	29	high	1.16	3.2	34	12
NM	–8.11	–8.11	1.38	NM	15	very low	none	NA	NA	NA
14.8	3.01	3.01	2.96	–2	12	high	2.24	8.4	74	–2
19.0	2.34	2.34	1.49	–36	15	low	1.48	7.4	63	–17
7.6	2.46	2.46	2.50	2	16	average	1.72	7.0	70	7
3.8	1.83	1.83	2.19	20	3	average	0.32	2.3	17	11
10.4	3.20	3.20	3.82	19	28	very high	1.52	2.9	48	12
4.3	2.10	2.10	2.42	15	6	very high	0.56	1.2	27	12

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan from Lotus CD Investment; Forbes.

The Forbes 500s on Wall Street

			Stock price			Stock performance—latest 12 months		Stock price ratios			
								price/earnings			
Company/fiscal year end	Ticker symbol	exch	5-year high-low	12-month high-low	recent	price change	relative to market	5-year high-low	latest 12 months	1988 est	price/ sales
Kemper/Dec	KEMC	o	39– 10	38– 19	23¾	–37%	71%	27– 6	6.5	6.8	0.38
Kentucky Utilities/Dec	KU	n	24– 10	21– 15	19⅛	–2	110	17– 6	11.1	10.8	1.31
Kerr-McGee/Dec	KMG	n	47– 24	47– 29	38½	9	122	22– 8	22.3	18.0	0.71
KeyCorp/Dec	KEY	n	31– 9	31– 19	22⅝	–24	85	13– 5	9.9	7.2	0.70
Kimberly-Clark/Dec	KMB	n	63– 17	63– 39	58	1	114	20– 9	15.5	12.7	0.95
Knight-Ridder/Dec	KRI	n	61– 21	61– 33	44¼	–19	91	25– 11	16.7	14.2	1.21
Koppers/Dec	KOP	n	55– 15	55– 27	53¾	42	159	NM– 11	NM	16.2	1.00
Kraft/Dec	KRA	n	69– 21	64– 38	55⅞	–8	103	25– 7	17.1	13.8	0.74
Kroger/Dec	KR	n	42– 15	42– 23	31⅜	–11	99	64– 10	14.3	12.0	0.14
Lafarge/Dec	LAF	n	16– 7	16– 10	15½	28	143	10– 6	9.9	8.9	0.56
Eli Lilly/Dec	LLY	n	108– 27	108– 58	84⅝	–11	100	36– 8	19.2	16.5	3.24
Limited/Jan	LTD	n	53– 4	53– 16	21½	–55	50	45– 12	17.2	13.6	1.15
Lin Broadcasting/Dec	LINB	o	58– 8	58– 34	56¾	58	177	58– 14	36.4	38.3	12.36
Lincoln National/Dec	LNC	n	63– 24	61– 36	48¼	–5	106	14– 6	9.3	8.5	0.29
Litton Industries/Jul	LIT	n	108– 54	108– 64	86¼	2	114	50– 8	15.2	13.4	0.46
Liz Claiborne/Dec	LIZC	o	39– 3	39– 12	17½	–48	59	33– 9	13.3	11.9	1.45
Lockheed/Dec	LK	n	62– 29	62– 29	43½	–16	94	11– 4	6.8	6.1	0.24
Loews/Dec	LTR	n	96– 18	96– 58	74⅞	4	117	15– 5	8.4	8.5	0.64
Lomas & Nettleton/Jun	LNF	n	39– 13	39– 15	17⅞	–52	53	27– 8	26.7	NM	0.55
Long Island Lighting/Dec	LIL	n	18– 4	12– 6	8⅞	–21	88	10– 1	5.1	6.1	0.48
Longs Drug Stores/Jan	LDG	n	41– 17	41– 25	33⅞	–5	107	23– 10	14.5	13.1	0.39
Longview Fibre/Oct	LFBR	o	75– 20	75– 30	50½	–28	81	18– 5	8.3	7.2	0.97
Loral/Mar	LOR	n	49– 19	49– 25	39	–17	93	25– 9	13.8	11.6	0.79
Lotus Development/Dec	LOTS	o	39– 5*	39– 19	30	40	156	33– 7*	19.0	15.5	3.33
Louisiana Land/Dec	LLX	n	43– 21	43– 25	35⅛	–8	103	44– 7	43.9	30.3	1.40
Louisiana-Pacific/Dec	LPX	n	40– 16	40– 22	29⅝	–22	87	75– 7	9.1	9.8	0.59
Louisville G&E/Dec	LOU	n	44– 20	39– 30	33½	–15	96	14– 6	10.0	10.0	1.07
Lowe's Cos/Jan	LOW	n	42– 15	33– 15	19⅞	–36	71	37– 9	14.1	11.2	0.32
LTV/Dec	LTV	n	20– 1	6– 2	3½	17	131	1–NM	0.8	1.6	0.05
Lubrizol/Dec	LZ	n	42– 18	42– 25	41¼	7	120	21– 11	20.0	17.1	1.57
Lucky Stores†/Jan	LKS	n	36– 13	36– 21	31⅜	15	129	34– 6	8.3	10.1	0.17
Mack Trucks/Dec	MACK	o	22– 9*	21– 11	15¾	–20	90	NM– 6*	NM	11.5	0.25
Macmillan/Dec	MLL	n	72– 12	72– 44	61¾	13	127	26– 9	22.5	19.7	1.67
Manufacturers Hanover/Dec	MHC	n	58– 19	48– 19	27½	–37	70	NM– 3	NM	4.1	0.17
Manufacturers Natl/Dec	MNTL	o	54– 14	53– 31	42⅞	–9	102	NM– 4	NM	6.7	0.80
Manville/Dec	MAN	n	17– 2	5– 2	2½	5	118	1–NM	0.4	4.5	0.03
Mapco/Dec	MDA	n	67– 21	67– 40	52¾	–19	91	25– 6	19.2	10.4	0.64
Marion Laboratories/Jun	MKC	n	42– 3	42– 20	22⅞	–36	72	72– 22	29.0	22.7	4.93
Marriott/Dec	MHS	n	44– 11	44– 24	33⅜	–16	94	30– 13	20.0	16.4	0.61
Marsh & McLennan Cos/Dec	MMC	n	77– 18	72– 44	53⅞	–21	88	59– 11	13.3	12.1	1.85
Marshall & Ilsley/Dec	MRIS	o	39– 13	33– 24	29¼	–11	100	14– 6	9.3	8.8	0.91
Martin Marietta/Dec	ML	n	57– 19	57– 35	48⅛	–4	108	15– 6	11.3	9.5	0.49
Masco/Dec	MAS	n	41– 11	41– 19	28⅜	–28	80	25– 10	17.2	12.4	1.86
Masco Industries/Dec	MASX	o	19– 2*	19– 9	11⅜	–32	77	25– 4*	24.7	10.3	0.70
Maxicare Health/Dec	MAXI	o	29– 2*	15– 2	2½	–82	20	NM– 12*	NM	13.6	0.04
May Dept Stores/Jan	MA	n	51– 15	51– 22	38⅝	–20	89	20– 7	13.3	11.4	0.56
Maytag/Dec	MYG	n	32– 9	32– 17	24	–19	91	21– 8	12.6	11.4	0.96
MBIA/Dec	MBI	n	NA–NA	22– 11*	15⅞	NA	NA	8–NA	8.0	7.1	4.41

*Range is for less than period indicated. †Prices are as originally reported, adjusted for splits: stock performance includes value of special distributions. NA: Not available or applicable. NM: Not meaningful. E: Estimate. Stock prices as of Mar. 18, 1988.

Earnings							Dividends			
net profit margin	latest 12 months EPS	1987 EPS	estimated 1988 EPS	% change '88 vs '87 EPS	number of analysts	confidence factor on estimate	indicated rate	yield	payout ratio	5-year growth rate
6.9%	$3.63	$3.63	$3.51	- 3%	14	low	$0.72	3.0%	20%	1%
13.3	1.72	1.72	1.77	3	15	average	1.34	7.0	78	3
3.2	1.73	1.73	2.14	24	26	low	1.10	2.9	64	0
7.3	2.25	2.25	3.13	39	11	high	1.20	5.4	53	18
6.7	3.73	3.73	4.55	22	19	high	1.60	2.8	43	8
7.5	2.65	2.65	3.11	17	24	very high	1.12	2.5	42	18
0.7	0.36	0.36	3.31	819	6	very high	1.20	2.2	333	–1
4.5	3.27	3.27	4.04	24	27	high	1.88	3.4	57	10
1.0	2.20	2.20	2.61	19	13	very high	1.05	3.3	48	2
5.9	1.57	1.57	1.74	11	9	average	0.24	1.5	15	2
17.7	4.41	4.41	5.12	16	37	high	2.30	2.7	52	10
6.7	1.25	1.25	1.58	26	25	average	0.24	1.1	19	49
36.9	1.56	1.56	1.48	–5	14	average	none	NA	NA	NA
3.4	5.19	5.19	5.70	10	22	average	2.36	4.9	45	6
3.2	5.69	5.16	6.43	25	17	very high	none	NA	NA	NA
10.9	1.32	1.32	1.47	11	16	average	0.18	1.0	14	64
3.7	6.41	6.41	7.17	12	28	high	1.40	3.2	22	55
7.8	8.92	8.92	8.77	–2	7	average	1.00	1.3	11	62
2.7	0.67	1.45	–0.62	NM	7	very low	1.40	7.8	209	27
13.0	1.73	1.73	1.46	–16	17	low	none	NA	NA	NA
2.8	2.33	2.33	2.59	11	10	average	0.80	2.4	34	5
11.8	6.08	5.87	7.02	20	5	high	1.80	3.6	30	8
5.6	2.83	2.87E	3.37	17	25	high	0.64	1.6	23	18
18.2	1.58	1.58	1.93	22	28	high	none	NA	NA	NA
3.2	0.80	0.80	1.16	45	19	very low	1.00	2.8	125	0
6.5	3.27	3.27	3.03	–7	15	low	0.80	2.7	24	3
12.1	3.34	3.34	3.34	0	13	high	2.66	7.9	80	5
2.3	1.41	1.41	1.77	26	21	average	0.44	2.2	31	1
6.6	4.24	4.24	2.18	–49	3	very low	none	NA	NA	NA
8.0	2.06	2.06	2.41	17	13	average	1.28	3.1	62	3
2.1	3.78	3.78	3.11	–18	17	high	0.60	1.9	16	–23
0.2	0.13	0.13	1.37	954	11	low	none	NA	NA	NA
7.4	2.74	2.74	3.14	15	8	high	0.72	1.2	26	20
14.7	–27.04	–27.04	6.69	NM	26	very low	3.28	11.9	NM	4
0.8	0.45	0.45	6.36	NM	12	high	1.60	3.7	356	21
8.0	5.79	5.79	0.55	–91	1	NM	none	NA	NA	NA
3.5	2.75	2.75	5.09	85	9	average	1.00	1.9	36	–3
18.0	0.79	0.61	1.01	66	20	high	0.28	1.2	35	47
3.4	1.67	1.67	2.03	22	18	very high	0.20	0.6	12	24
14.1	4.06	4.06	4.47	10	24	high	2.40	4.5	59	22
10.4	3.16	3.16	3.34	6	6	high	0.84	2.9	27	–4
4.5	4.25	4.25	5.04	19	27	high	1.10	2.3	26	5
10.8	1.65	1.65	2.28	38	15	high	0.40	1.4	24	13
3.1	0.46	0.46	1.11	141	9	average	none	NA	NA	NA
NM	–1.82	–1.82	0.18	NM	17	very low	none	NA	NA	NA
4.3	2.90	2.90	3.40	17	26	very high	1.28	3.3	44	14
8.0	1.91	1.91	2.11	10	12	average	1.00	4.2	52	8
55.0	1.98	1.98	2.23	13	3	high	0.16	1.0	8	0

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan from Lotus CD Investment; Forbes.

The Forbes 500s on Wall Street

Company/fiscal year end	Ticker symbol	exch	Stock price			Stock performance —latest 12 months—		Stock price ratios			
			5-year high-low	12-month high-low	recent	price change	relative to market	price/earnings			price/sales
								5-year high-low	latest 12 months	1988 est	
MCA/Dec	MCA	n	65– 22	65– 30	43¾	–10%	101%	37– 8	24.0	20.5	1.23
McCaw Cellular/Dec	MCAWA	o	NA–NA	26– 11*	21½	NA	NA	NA–NA	NM	NM	16.04
McDonald's/Dec	MCD	n	61– 17	61– 31	45¼	–12	99	22– 10	15.7	13.3	1.76
McDonnell Douglas/Dec	MD	n	91– 46	81– 55	63¾	–20	90	13– 6	8.2	7.7	0.19
McGraw-Hill/Dec	MHP	n	85– 34	85– 43	58⅞	–16	94	27– 13	18.0	16.0	1.62
MCI Communications/Dec	MCIC	o	29– 5	12– 6	11½	64	184	38– 12	38.3	20.2	0.84
McKesson/Mar	MCK	n	40– 16	40– 23	30⅞	–16	94	18– 9	14.9	12.9	0.18
MCorp/Dec	M	n	35– 2	11– 2	2¾	–73	30	NM– 5	NM	NM	0.07
Mead/Dec	MEA	n	48– 12	48– 21	38⅞	10	123	33– 6	11.2	11.0	0.58
Media General/Dec	MEGA	a	50– 11	50– 23	46⅞	51	169	35– 9	31.3	24.9	1.85
Medtronic/Apr	MDT	n	109– 25	109– 64	95	10	123	20– 7	15.8	13.0	2.07
Mellon Bank/Dec	MEL	n	73– 23	56– 23	29⅛	–46	61	NM– 5	NM	8.9	0.25
Melville/Dec	MES	n	84– 31	84– 44	67⅛	–8	103	18– 8	12.8	11.4	0.62
Mercantile Bancorp/Dec	MTRC	o	37– 16	33– 17	22¼	–32	76	NM– 5	NM	7.1	0.53
Mercantile Bkshs/Dec	MRBK	o	47– 13	45– 28	35¾	–20	90	16– 6	9.9	9.2	1.46
Mercantile Stores/Jan	MST	n	53– 16	53– 31	43⅝	–6	105	17– 7	12.4	10.5	0.75
Merchants National/Dec	MCHN	o	41– 7	31– 18	24¾	–16	94	36– 5	21.2	8.3	0.92
Merck/Dec	MRK	n	223– 39	223–144	160⅛	–2	110	36– 12	24.0	18.9	4.15
Meridian Bancorp/Dec	MRDN	o	28– 9	26– 16	19	–25	84	13– 5	9.2	8.2	0.79
Meritor Financial Group/Dec	MTOR	o	13– 4*	11– 4	6⅛	–37	70	NM– 3*	NM	21.9	0.12
Merrill Lynch/Dec	MER	n	57– 20	46– 20	24⅜	–47	60	35– 4	6.8	11.8	0.23
Fred Meyer/Jan	MEYR	o	18– 10*	18– 10	13½	–16	94	15– 7*	10.3	9.2	0.16
Michigan National/Dec	MNCO	o	50– 11	50– 35	47½	13	127	10– 7	9.8	7.9	0.78
Microsoft/Jun	MSFT	o	79– 13*	79– 37	58¼	29	145	61– 13*	34.7	27.0	6.79
Middle South Utils/Dec	MSU	n	17– 8	15– 8	10⅛	–28	81	8– 3	4.8	4.7	0.60
Midlantic/Dec	MIDL	o	52– 17	50– 29	40⅞	–17	93	13– 5	9.3	7.4	1.00
Millipore/Dec	MIL	o	47– 12	47– 27	39⅞	–4	107	30– 12	23.5	19.5	2.10
Minn Mining & Mfg/Dec	MMM	n	84– 35	84– 45	64	–3	109	22– 11	15.9	14.1	1.54
Minnesota Power/Dec	MPL	n	35– 12	29– 20	23⅝	–13	97	13– 6	10.1	9.3	1.53
MNC Financial/Dec	MNCF	o	51– 13	49– 31	44¾	–8	103	12– 5	8.6	8.1	0.80
Mobil/Dec	MOB	n	55– 23	55– 32	45⅜	–7	104	15– 6	14.8	12.2	0.36
Molex/Jun	MOLX	o	57– 19	57– 25	44¼	–7	104	35– 13	22.2	19.7	4.96
Monarch Capital/Dec	MON	n	91– 28	90– 39	45½	–49	57	18– 7	8.2	8.0	0.16
Monsanto/Dec	MTC	n	100– 40	100– 57	83⅜	7	119	15– 7	14.8	12.2	0.81
Moore Financial/Dec	MFGI	o	34– 16	30– 21	27	2	115	13– 5	12.0	10.7	0.65
JP Morgan & Co/Dec	JPM	n	54– 14	54– 27	[illegible]	–25	84	NM– 5	NM	6.2	0.89
Morgan Stanley Group/Dec	MS	n	86– 38*	86– 38	58⅜	–23	87	11– 4*	6.5	8.0	0.46
Morrison-Knudsen/Dec	MRN	n	56– 26	55– 30	39⅝	–16	94	NM– 7	NM	12.2	0.23
Morton Thiokol/Jun	MTI	n	55– 20	55– 31	44	–8	103	18– 7	13.8	13.1	0.96
Motorola/Dec	MOT	n	74– 29	74– 35	48⅛	–14	97	73– 9	20.1	14.3	0.93
Murphy Oil/Dec	MUR	n	43– 20	43– 21	28⅛	–17	93	NM– 5	NM	26.0	0.65
Nalco Chemical/Dec	NLC	n	46– 21	46– 24	39⅝	14	128	24– 11	19.5	16.7	1.84
Nash Finch/Dec	NAFC	o	27– 7	27– 15	22¼	10	123	17– 6	12.7	11.5	0.13
National Bcshs Texas/Dec	NBCT	o	26– 2	10– 2	2¼	–75	28	NM– 7	NM	NM	0.10
National City/Dec	NCTY	o	38– 10	38– 24	30	–12	99	16– 5	12.8	7.6	0.84
Natl Community Bk/Dec	NCBR	o	56– 8	56– 33	41	18	132	18– 6	12.3	NA	1.71
National Intergroup/Mar	NII	n	38– 10	21– 10	19¾	36	153	NM–NM	NM	15.1	0.11
National Medical/May	NME	n	33– 16	31– 16	23⅛	–17	93	22– 8	20.8	9.4	0.55

*Range is for less than period indicated. NA: Not available or applicable. NM: Not meaningful. E: Estimate. Stock prices as of Mar. 18, 1988.

	Earnings						Dividends			
net profit margin	latest 12 months EPS	1987 EPS	estimated 1988 EPS	% change '88 vs '87 EPS	number of analysts	confidence factor on estimate	indicated rate	yield	payout ratio	5-year growth rate
5.3%	$1.82	$1.82	$2.13	17%	16	low	$0.68	1.6%	37%	5%
NM	–1.31	–1.31	–0.01	NM	1	NM	none	NA	NA	NA
11.3	2.89	2.89	3.41	18	32	very high	0.50	1.1	17	19
2.4	7.75	7.75	8.32	7	25	average	2.56	4.0	33	9
9.4	3.27	3.27	3.68	13	19	high	1.84	3.1	56	11
2.2	0.30	0.30	0.57	90	27	low	none	NA	NA	NA
1.2	2.07	2.10E	2.40	14	9	very high	1.28	4.1	62	2
NM	–6.46	–6.46	–3.38	NM	13	very low	none	NA	NA	NA
5.2	3.47	3.47	3.54	2	20	average	0.66	1.7	19	7
6.0	1.50	1.50	1.88	25	11	high	0.34	0.7	23	6
13.8	6.03	6.27E	7.29	16	15	very high	1.04	1.1	17	6
NM	–31.19	–31.19	3.29	NM	19	very low	1.40	4.8	NM	–3
4.8	5.25	5.25	5.89	12	17	high	2.10	3.1	40	12
NM	–1.53	–1.53	3.12	NM	9	average	1.40	6.3	NM	4
14.7	3.60	3.60	3.87	7	7	average	1.20	3.4	33	13
6.0	3.52	3.52	4.17	18	5	very high	0.70	1.6	20	14
4.4	1.17	1.17	2.97	154	6	high	0.80	3.2	68	23
17.9	6.68	6.68	8.48	27	40	very high	3.84	2.4	57	16
9.0	2.07	2.07	2.32	12	9	very high	1.10	5.8	53	13
NM	–11.30	–11.30	0.28	NM	6	very low	none	NA	NA	NA
3.7	3.58	3.58	2.06	–42	13	very low	1.00	4.1	28	4
1.7	1.31	1.31	1.46	11	8	high	none	NA	NA	NA
8.1	4.85	4.85	6.01	24	9	average	1.80	3.8	37	0
20.3	1.68	1.30	2.16	66	23	average	none	NA	NA	NA
12.4	2.10	2.10	2.14	2	22	average	none	NA	NA	NA
10.5	4.40	4.40	5.52	25	15	very high	1.48	3.6	34	13
9.0	1.70	1.70	2.04	20	17	very high	0.32	0.8	19	12
9.7	4.02	4.02	4.55	13	24	very high	2.12	3.3	53	3
16.4	2.34	2.34	2.53	8	14	average	1.72	7.3	74	9
9.3	5.19	5.19	5.55	7	20	high	1.56	3.5	30	23
2.5	3.06	3.06	3.72	22	44	average	2.20	4.8	72	1
22.2	1.99	1.72	2.25	31	9	very high	0.03	0.1	2	4
2.2	5.52	5.52	5.66	3	11	low	none	NA	NA	NA
5.7	5.63	5.63	6.86	22	26	high	2.80	3.4	50	10
5.3	2.25	2.25	2.53	12	7	high	1.20	4.4	53	5
1.2	0.39	0.39	5.43	NM	31	average	1.50	4.4	385	11
7.3	8.99	8.99	7.28	–19	11	average	0.90	1.5	10	0
NM	–5.51	–5.51	3.24	NM	7	low	1.48	3.7	NM	3
7.0	3.19	2.90	3.35	16	20	very high	0.84	1.9	26	3
4.6	2.39	2.39	3.37	41	35	low	0.64	1.3	27	4
NM	–1.29	–1.29	1.08	NM	17	low	1.00	3.6	NM	0
9.5	2.03	2.03	2.38	17	14	average	1.20	3.0	59	–5
1.0	1.75	1.75	1.93	10	3	high	0.66	3.0	38	1
NM	–5.41	–5.41	–2.12	NM	4	very low	none	NA	NA	NA
6.6	2.34	2.34	3.94	68	23	high	1.44	4.8	62	12
13.9	3.34	3.34	NA	NA	NA	NA	1.00	2.4	30	11
NM	–0.75	0.67E	1.31	96	6	very low	0.25	1.3	NM	2
2.7	1.11	2.19E	2.47	13	21	average	0.64	2.8	58	4

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan from Lotus CD Investment; Forbes.

The Forbes 500s on Wall Street

			Stock price			Stock performance—latest 12 months—		Stock price ratios — price/earnings			
Company/fiscal year end	Ticker symbol	exch	5-year high-low	12-month high-low	recent	price change	relative to market	5-year high-low	latest 12 months	1988 est	price/sales
Natl Semiconductor/May	NSM	n	22– 8	22– 10	12¾	–21%	89%	NM– 13	NM	11.7	0.66
National Service/Aug	NSI	n	29– 11	28– 17	24	–9	102	19– 9	15.1	13.7	0.88
Navistar Intl/Oct	NAV	n	15– 3	9– 3	5⅞	–19	91	10– 5	9.8	8.3	0.41
NBD Bancorp/Dec	NBD	n	40– 11	40– 26	35¾	–3	108	12– 5	10.3	7.8	0.86
NCNB/Dec	NCB	n	29– 11	29– 16	20½	–24	85	12– 6	10.1	7.4	0.70
NCR/Dec	NCR	n	87– 21	87– 50	61⅞	–9	102	21– 7	13.7	11.6	0.92
New England Electric/Dec	NES	n	35– 14	30– 20	22⅛	–23	87	12– 5	7.3	7.7	0.86
NY State E&G/Dec	NGE	n	39– 15	30– 20	22	–26	83	48– 4	31.4	8.0	0.95
New York Times/Dec	NYTA	a	50– 11	50– 25	31⅝	–32	76	28– 10	16.1	13.8	1.53
Newmont Mining†/Dec	NEM	n	102– 16	102– 25	34½	58	177	7– 5	6.5	20.2	4.52
Niagara Mohawk Power/Dec	NMK	n	26– 11	18– 11	13¾	–18	92	NM– 4	NM	7.6	0.68
Nicor/Dec	GAS	n	35– 19	33– 20	28⅝	–13	98	11– 7	10.7	9.7	0.59
Nipsco Industries/Dec	NI	n	15– 8	13– 8	11	–8	103	25– 6	20.8	9.6	0.55
Nordstrom/Jan	NOBE	o	41– 7	41– 16	25½	–11	100	40– 12	22.6	19.3	1.08
Norfolk Southern/Dec	NSC	n	38– 16	38– 21	30¼	–7	104	42– 6	33.2	10.8	1.38
Northeast Bancorp/Dec	NBIC	o	62– 17	61– 39	44	–25	84	16– 6	11.0	10.2	1.13
Northeast Savings FA/Mar	NSB	n	28– 6	27– 8	17	–30	79	33– 2	32.7	8.9	0.15
Northeast Utilities/Dec	NU	n	28– 11	27– 18	20⅜	–21	89	13– 4	9.7	8.9	1.06
No States Power/Dec	NSP	n	40– 15	36– 26	32⅜	–6	105	14– 6	10.8	10.3	1.14
Northern Trust/Dec	NTRS	o	51– 17	51– 30	42¾	1	113	NM– 10	NM	9.3	0.77
Northrop/Dec	NOC	n	57– 22	53– 25	31	–38	70	58– 8	15.4	7.5	0.24
No'western Natl Life/Dec	NWNL	o	37– 16	30– 21	26¾	–5	106	29– 6	7.9	6.6	0.2[illegible]
Norton/Dec	NRT	n	61– 31	61– 32	47¾	4	117	16– 10	16.1	13.8	0.79
Norwest/Dec	NOB	n	48– 22	48– 32	43⅜	6	119	NM– 6	NM	7.7	0.56
Noxell/Dec	NOXLB	o	34– 7	34– 17	23½	–18	92	32– 12	21.8	17.9	1.94
Nucor/Dec	NUE	n	50– 17	50– 30	43½	24	139	24– 9	18.2	16.2	1.08
NWA/Dec	NWA	n	76– 31	74– 31	44	–35	73	25– 8	12.3	10.8	0.25
Nynex/Dec	NYN	n	78– 29*	78– 58	68	–2	110	12– 7*	10.9	10.1	1.13
Occidental Petroleum/Dec	OXY	n	40– 18	40– 22	27	–19	90	35– 6	34.6	23.1	0.34
Ogden/Dec	OG	n	45– 12	45– 18	31	–11	100	48– 9	23.0	18.7	1.41
Ohio Casualty/Dec	OCAS	o	49– 17	49– 34	35¼	–27	82	23– 8	11.0	7.5	0.49
Ohio Edison/Dec	OEC	n	23– 9	23– 17	19⅛	–11	100	9– 4	8.0	8.7	1.64
Oklahoma G&E/Dec	OGE	n	39– 18	35– 28	31¾	–7	104	15– 7	12.2	10.8	1.26
Old Kent Financial/Dec	OKEN	o	27– 7	26– 18	24	–4	108	10– 5	8.5	8.8	0.94
Old Republic Intl/Dec	OLDR	o	38– 19	30– 19	24⅞	–4	108	15– 4	4.9	5.2	0.37
Old Stone/Dec	OSTN	o	34– 16	31– 17	19¾	–29	79	32– 6	28.2	5.4	0.31
Olin/Dec	OLN	n	56– 25	56– 33	52	4	117	15– 7	15.4	12.0	0.59
Oracle Systems/May	ORCL	o	19– 3*	19– 8	17½	65	185	49– 13*	48.6	20.3	11.08
Outboard Marine/Sep	OM	n	39– 16	38– 16	32⅛	–8	103	51– 5	10.5	11.0	0.45
Owens-Corning/Dec	OCF	n	83– 9	32– 9	20⅝	–21	88	4– 4	3.9	6.5	0.29
Paccar/Dec	PCAR	o	78– 39	78– 44	74½	31	147	32– 6	11.9	9.6	0.55
Pacific Enterprises/Dec	PET	n	61– 30	61– 46	49½	–15	95	43– 6	12.0	11.9	0.55
Pacific First Finl/Dec	PFFS	o	27– 7	26– 9	13⅜	–49	57	4– 2	3.6	4.9	0.22
Pacific G&E/Dec	PCG	n	28– 12	26– 15	16⅝	–31	77	15– 5	12.9	12.4	0.90
Pacific Telesis/Dec	PAC	n	34– 13*	34– 23	29¼	6	119	16– 7*	13.2	10.4	1.37
PacifiCorp/Dec	PPW	n	39– 20	37– 27	34	–6	106	12– 5	9.4	9.2	1.10
PaineWebber Group/Dec	PJW	n	49– 13	38– 13	17½	–54	52	62– 6	7.8	13.2	0.21
Pall/Jul	PLL	a	35– 14	35– 20	30⅜	–6	105	33– 15	22.8	20.0	2.79

*Range is for less than period indicated. †Prices are as originally reported, adjusted for splits: stock performance includes value of special distributions. NA: Not available or applicable. NM: Not meaningful. E: Estimate. Stock prices as of Mar. 18, 1988.

Earnings							Dividends			
net profit margin	latest 12 months EPS	1987 EPS	estimated 1988 EPS	% change '88 vs '87 EPS	number of analysts	confidence factor on estimate	indicated rate	yield	payout ratio	5-year growth rate
NM	$–0.14	$0.47E	$1.09	132%	21	low	none	NA	NA	NA
5.8%	1.59	1.54	1.75	14	5	very high	$0.76	3.2%	48%	10%
4.9	0.60	0.50	0.71	42	16	very low	none	NA	NA	NA
8.2	3.47	3.47	4.57	32	19	high	1.32	3.7	38	6
6.8	2.03	2.03	2.76	36	31	high	0.92	4.5	45	14
7.4	4.51	4.51	5.32	18	32	high	1.24	2.0	27	10
11.7	3.05	3.05	2.89	–5	23	low	2.04	9.2	67	6
4.1	0.70	0.70	2.76	294	18	high	2.00	9.1	286	2
9.5	1.96	1.96	2.30	17	25	high	0.44	1.4	22	21
66.1	5.28	5.28	1.71	–68	19	very low	0.60	1.7	11	3
2.2	0.05	0.05	1.80	NM	23	average	1.20	8.7	NM	–9
5.8	2.68	2.68	2.96	10	9	average	1.80	6.3	67	–13
4.5	0.53	0.53	1.14	115	22	low	0.60	5.5	113	0
4.8	1.13	1.13	1.32	17	28	average	0.22	0.9	19	18
4.2	0.91	0.91	2.80	208	26	average	1.20	4.0	132	5
10.7	4.01	4.01	4.30	7	1	NM	1.40	3.2	35	6
1.7	0.52	1.04E	1.92	85	3	very low	0.60	3.5	115	0
11.0	2.11	2.11	2.30	9	21	average	1.76	8.6	83	6
11.6	3.01	3.01	3.15	5	25	very high	2.02	6.2	67	10
NM	–4.77	–4.77	4.61	NM	7	high	1.00	2.3	NM	1
1.6	2.01	2.01	4.14	106	21	low	1.20	3.9	60	22
2.9	3.40	3.40	4.08	20	9	very high	0.96	3.6	28	6
4.9	2.97	2.97	3.47	17	9	high	2.00	4.2	67	0
NM	–1.31	–1.31	5.64	NM	25	average	1.80	4.1	NM	0
8.9	1.08	1.08	1.31	21	19	high	0.40	1.7	37	19
5.9	2.39	2.39	2.68	12	12	average	0.40	0.9	17	18
2.0	3.59	3.59	4.08	14	26	very low	0.90	2.0	25	3
10.6	6.26	6.26	6.71	7	29	very high	3.80	5.6	61	30
1.1	0.78	0.78	1.17	50	32	very low	2.50	9.3	321	0
6.3	1.35	1.35	1.66	23	9	high	1.10	3.5	81	2
4.6	3.21	3.21	4.67	45	21	average	1.88	5.3	59	7
23.2	2.40	2.40	2.19	–9	22	average	1.96	10.2	82	2
10.7	2.60	2.60	2.93	13	23	high	2.28	7.2	88	0
11.8	2.81	2.81	2.74	–2	8	very high	0.86	3.6	31	15
9.4	5.09	5.09	4.75	–7	1	NM	0.74	3.0	15	5
3.0	0.70	0.70	3.68	426	3	high	1.56	7.9	223	2
4.0	3.38	3.38	4.34	28	14	average	1.60	3.1	47	6
12.5	0.36	0.53E	0.86	62	5	average	none	NA	NA	NA
4.0	3.07	2.56	2.93	14	8	low	0.72	2.2	23	5
7.6	5.30	5.30	3.16	–40	13	low	none	NA	NA	NA
4.6	6.26	6.26	7.73	23	11	low	3.10	4.2	50	14
4.7	4.14	4.14	4.15	0	20	average	3.48	7.0	84	17
6.0	3.75	3.75	2.75	–27	6	low	0.50	3.7	13	0
8.3	1.29	1.29	1.34	4	27	low	1.92	11.5	149	5
10.4	2.21	2.21	2.81	27	27	high	1.76	6.0	80	33
12.3	3.60	3.60	3.70	3	28	high	2.52	7.4	70	–1
3.1	2.25	2.25	1.33	–41	10	very low	0.52	3.0	23	7
12.1	1.33	1.31	1.52	16	15	very high	0.40	1.3	30	8

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan from Lotus CD Investment; Forbes.

The Forbes 500s on Wall Street

			Stock price			Stock performance —latest 12 months—		Stock price ratios — price/earnings			
Company/fiscal year end	Ticker symbol	exch	5-year high-low	12-month high-low	recent	price change	relative to market	5-year high-low	latest 12 months	1988 est	price/ sales
Pan Am/Dec	PN	n	10– 3	6– 3	2⅞	–34%	74%	NM– 10	NM	NM	0.11
Panhandle Eastern/Dec	PEL	n	50– 18	35– 18	25⅞	–22	88	13– 7	12.7	15.0	0.89
Parker-Hannifin/Jun	PH	n	49– 16	49– 25	37⅝	8	121	25– 9	18.6	15.5	0.86
Payless Cashways/Nov	PCI	n	35– 10	27– 10	15⅛	–41	66	31– 11	18.7	10.5	0.29
Penn Central†/Dec	PC	n	46– 11	30– 19	22⅞	4	116	61– 7	49.7	18.3	1.15
Pennbancorp/Dec	PNBA	o	38– 9	35– 19	24	–25	84	17– 6	9.5	8.7	1.02
JC Penney/Jan	JCP	n	66– 22	66– 37	48	–4	108	18– 7	11.7	9.1	0.43
Pennsylvania P&L/Dec	PPL	n	43– 20	41– 29	35¾	–10	101	15– 6	10.8	10.5	1.28
Pennzoil/Dec	PZL	n	95– 25	95– 39	78	–4	108	NM– 6	NM	38.8	1.80
PepsiCo/Dec	PEP	n	42– 11	42– 26	35	0	112	23– 9	15.5	13.3	0.79
Perkin-Elmer/Jul	PKN	n	41– 18	41– 19	27¼	–23	87	NM– 11	NM	16.1	0.87
Perpetual Savings/Oct	PASB	o	20– 4	15– 7	7¾	–47	59	22– 4	4.3	5.1	0.23
Pfizer/Dec	PFE	n	77– 29	77– 41	55¼	–27	82	19– 10	13.5	12.1	1.85
Phelps Dodge/Dec	PD	n	56– 13	56– 24	42	35	152	9– 5	9.1	5.4	0.80
PHH Group/Apr	PHH	n	47– 18	45– 26	32¼	–17	93	21– 8	12.5	11.0	0.35
Philadelphia Elec/Dec	PE	n	26– 9	24– 17	19⅜	–16	94	10– 3	8.3	8.3	1.20
Philip Morris Cos/Dec	MO	n	125– 28	125– 77	94⅛	10	124	17– 7	12.1	9.6	1.00
Phillips Petroleum/Dec	P	n	19– 8	19– 10	17⅞	17	131	NM– 4	NM	19.6	0.38
Pillsbury/May	PSY	n	49– 13	49– 28	43	–2	110	22– 8	17.7	14.7	0.59
Pinnacle West/Dec	PNW	n	33– 15	33– 26	27¾	–13	97	10– 4	8.6	8.9	1.24
Pioneer Hi-Bred Intl/Aug	PHYB	o	44– 23	40– 24	34¾	–4	107	25– 9	21.2	14.3	1.31
Pitney Bowes/Dec	PBI	n	50– 13	50– 30	46¼	2	114	21– 8	18.3	15.6	1.57
PNC Financial/Dec	PNC	n	51– 17	51– 33	40⅞	–13	97	17– 6	13.8	7.8	1.04
Polaroid/Dec	PRD	n	43– 12	41– 17	34¼	1	113	42– 9	18.2	17.2	1.20
Portland General/Dec	PGN	n	37– 13	28– 21	22⅞	–17	93	14– 4	13.5	10.9	1.38
Potlatch/Dec	PCH	n	42– 13	42– 21	33¼	–17	93	22– 7	10.6	9.7	0.90
Potomac Electric/Dec	POM	n	30– 9	25– 18	22⅜	–7	104	15– 6	10.6	10.3	1.59
PPG Industries/Dec	PPG	n	54– 12	54– 28	40⅛	–16	95	19– 6	12.6	11.4	0.86
Premark Intl/Dec	PMI	n	32– 19*	32– 19	31	24	139	NM–NM*	14.9	11.5	0.47
Premier Bancorp/Dec	PRBC	0	19– 5	10– 5	5	–43	64	NM– 9	NM	23.8	0.28
Premier Industrial/May	PRE	n	33– 11	33– 21	30	16	130	26– 14	23.8	18.3	2.68
Price Co/Aug	PCLB	o	56– 11	53– 24	39¼	–22	88	67– 14	23.6	20.0	0.55
Prime Computer/Dec	PRM	n	31– 12	31– 12	16⅞	–22	87	35– 9	12.8	11.8	0.84
Prime Motor Inns/Jun	PDQ	n	46– 7	46– 21	40½	–2	110	37– 12	22.4	19.3	5.19
Primerica/Dec	PA	n	54– 17	53– 22	30¾	–40	67	16– 9	9.2	8.6	0.42
Procter & Gamble/Jun	PG	n	104– 46	104– 60	82	–13	98	55– 9	29.7	14.0	0.78
Progressive/Dec	PGR	o	39– 8	35– 26	28⅛	–7	104	22– 8	9.1	8.4	0.81
Provident Life & Acc/Dec	PACCB	o	33– 14	27– 14	20	–24	85	60– 5	8.0	13.2	0.30
Public Service Colo/Dec	PSR	n	24– 16	23– 17	21⅝	3	115	16– 7	8.7	9.3	0.68
Public Service Ind/Dec	PIN	n	27– 7	18– 11	13⅛	–22	88	11– 2	5.6	5.7	0.66
Public Service NH/Dec	PNH	n	20– 2	9– 2	3½	–59	46	NM– 1	NM	1.7	0.24
Public Service NM/Dec	PNM	n	39– 17	38– 17	18⅛	–52	54	20– 6	9.1	8.2	1.10
Pub Svc Enterprise/Dec	PEG	n	32– 13	28– 20	24¼	–11	99	16– 5	9.5	9.4	1.18
Puget Sound Bancorp/Dec	PSNB	o	29– 8	29– 15	19¼	–34	74	21– 5	16.5	7.6	0.86
Puget Sound P&L/Dec	PSD	n	25– 9	22– 18	19½	–6	105	14– 5	9.2	9.5	1.43
Quaker Oats/Jun	OAT	n	58– 11	58– 28	47¾	0	112	24– 8	18.2	15.0	0.78
Quantum Chemical/Dec	CUE	n	93– 23	93– 49	89¾	38	155	37– 11	11.6	9.5	1.04
Ralston Purina/Sep	RAL	n	94– 20	94– 58	76⅛	–5	106	23– 8	14.7	13.6	0.89

*Range is for less than period indicated. †Prices are as originally reported, adjusted for splits: stock performance includes value of special distributions. NA: Not available or applicable. NM: Not meaningful. E: Estimate. Stock prices as of Mar. 18, 1988.

Earnings							Dividends			
net profit margin	latest 12 months EPS	1987 EPS	estimated 1988 EPS	% change '88 vs '87 EPS	number of analysts	confidence factor on estimate	indicated rate	yield	payout ratio	5-year growth rate
NM	$-1.91	$-1.91	$-0.40	NM	15	very low	none	NA	NA	NA
6.9%	2.04	2.04	1.73	-15%	18	very low	$2.00	7.7%	98%	-3%
4.6	2.02	1.88	2.42	29	17	high	0.84	2.2	42	7
1.6	0.81	0.81	1.44	78	19	average	0.16	1.1	20	3
2.5	0.46	0.46	1.25	172	5	very low	0.05	0.2	11	0
10.7	2.52	2.52	2.77	10	3	very high	1.00	4.2	40	10
4.0	4.11	4.11	5.26	28	28	high	1.48	3.1	36	5
14.5	3.32	3.32	3.39	2	21	high	2.76	7.7	83	3
2.5	0.69	0.69	2.01	191	27	very low	2.20	2.8	319	0
5.2	2.26	2.26	2.64	17	28	very high	0.68	1.9	30	6
NM	-0.20	-0.40	1.69	NM	21	average	0.60	2.2	NM	6
6.5	1.81	1.10	1.52	38	4	low	none	NA	NA	NA
14.0	4.08	4.08	4.56	12	40	very high	2.00	3.6	49	11
9.3	4.62	4.62	7.84	70	21	very low	0.60	1.4	13	0
2.8	2.59	2.64E	2.93	11	6	very high	1.08	3.3	42	5
17.1	2.33	2.33	2.33	0	25	average	2.20	11.4	94	1
8.3	7.75	7.75	9.84	27	30	very high	3.60	3.8	46	21
0.3	0.06	0.06	0.91	NM	39	very low	0.60	3.4	NM	-6
3.4	2.43	2.48E	2.93	18	21	high	1.12	2.6	46	13
13.9	3.21	3.21	3.11	-3	19	average	2.80	10.1	87	2
6.2	1.64	1.69	2.43	44	10	low	1.04	3.0	63	11
8.9	2.53	2.53	2.96	17	16	very high	0.92	2.0	36	10
7.6	2.96	2.96	5.22	76	26	high	1.68	4.1	57	14
6.6	1.88	1.88	1.99	6	23	low	0.60	1.8	32	1
10.2	1.69	1.69	2.09	24	18	average	1.96	8.6	116	3
8.8	3.13	3.13	3.42	9	13	average	0.92	2.8	29	4
15.6	2.11	2.11	2.18	3	25	high	1.38	6.2	65	6
7.3	3.19	3.19	3.51	10	17	average	1.20	3.0	38	16
3.3	2.08	2.08	2.69	29	9	average	0.32	1.0	15	0
NM	-0.75	-0.75	0.21	NM	7	very low	none	NA	NA	NA
11.5	1.26	1.44E	1.64	14	9	very high	0.40	1.3	32	12
2.3	1.66	1.50	1.96	31	17	high	none	NA	NA	NA
6.7	1.32	1.32	1.43	8	36	average	none	NA	NA	NA
23.5	1.81	1.59	2.10	32	8	high	0.08	0.2	4	8
5.3	3.35	3.35	3.56	6	10	average	1.60	5.2	48	4
2.7	2.76	1.87	5.86	213	20	high	2.80	3.4	101	4
9.0	3.10	3.10	3.33	7	13	high	0.40	1.4	13	43
3.7	2.51	2.51	1.52	-39	12	low	0.84	4.2	33	8
8.7	2.49	2.49	2.33	-6	25	average	2.00	9.2	80	4
13.6	2.33	2.33	2.31	-1	21	average	none	NA	NA	NA
NM	-3.44	-3.44	2.03	NM	3	very high	none	NA	NA	NA
13.8	2.00	2.00	2.20	10	16	low	2.92	16.1	146	1
12.4	2.55	2.55	2.59	2	30	high	2.00	8.2	78	4
5.2	1.17	1.17	2.53	116	4	high	0.80	4.2	68	13
16.5	2.13	2.13	2.06	-3	14	high	1.76	9.0	83	-10
4.3	2.63	2.36	3.18	35	29	very high	1.00	2.1	38	14
9.8	7.75	7.75	9.48	22	15	very low	2.20	2.5	28	-5
6.1	5.21	7.27	5.64	-22	25	high	1.50	2.0	29	10

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan from Lotus CD Investment; Forbes.

The Forbes 500s on Wall Street

			Stock price			Stock performance latest 12 months		Stock price ratios			
								price/earnings			
Company/fiscal year end	Ticker symbol	exch	5-year high-low	12-month high-low	recent	price change	relative to market	5-year high-low	latest 12 months	1988 est	price/ sales
Raychem/Jun	RYC	n	55– 16	55– 30	52⅛	48%	166%	31– 11	19.4	17.4	1.85
Raytheon/Dec	RTN	n	85– 35	85– 57	69⅝	–17	93	17– 9	11.4	9.8	0.62
Reebok International/Dec	RBK	n	25– 3*	25– 7	16¼	–23	87	20– 5*	10.9	9.1	1.32
Reliance Group/Dec	REL	n	12– 5*	12– 5	7⅜	–22	87	12– 3*	4.4	6.4	0.16
Republic New York/Dec	RNB	n	58– 21	55– 36	44	–19	90	69– 6	68.8	8.0	0.79
Reynolds Metals/Dec	RLM	n	62– 13	62– 28	46	42	159	12– 5	11.6	8.6	0.58
Riggs National/Dec	RIGS	o	42– 14	34– 17	21½	–36	72	NM– 6	NM	8.6	0.66
Rite Aid/Feb	RAD	n	46– 17	46– 29	36½	–7	104	23– 11	11.3	13.3	0.66
RJR Nabisco/Dec	RJR	n	71– 18	71– 35	51¾	–10	101	19– 6	10.3	9.1	0.81
Roadway Services/Dec	ROAD	o	45– 23	43– 23	33	–6	106	33– 9	26.2	16.6	0.70
Rochester Community/Nov	RCSB	o	16– 8*	16– 8	12⅜	–21	89	19– 7*	11.2	8.5	0.57
Rockwell Intl/Sep	ROK	n	31– 12	31– 14	20	–31	78	15– 6	8.1	7.6	0.46
Rohm & Haas/Dec	ROH	n	53– 15	53– 24	34	–22	87	21– 7	11.9	10.9	1.03
Rollins Environmental/Sep	REN	n	26– 1	26– 12	23⅝	11	124	46– 13	35.8	26.3	6.04
LF Rothschild/Dec	R	n	29– 2*	19– 2	2⅜	–83	19	NM–NM*	NM	6.3	0.08
Rouse/Dec	ROUS	o	26– 9	26– 17	22	–5	107	NM– 12	NM	40.0	2.70
Rubbermaid/Dec	RBD	n	35– 8	35– 19	24⅜	–12	98	33– 13	21.2	18.1	1.76
Ryder System/Dec	RDR	n	43– 13	43– 15	32	–20	89	21– 7	14.0	12.2	0.55
Safeco/Dec	SAFC	o	38– 12	38– 24	24¾	–17	92	16– 7	7.2	7.5	0.64
Safety-Kleen/Dec	SK	n	40– 9	40– 24	29⅝	5	118	38– 17	28.0	22.3	2.94
St Paul Cos/Dec	STPL	o	60– 19	60– 41	45½	–8	103	7– 6	6.9	6.8	0.63
St Paul Bancorp/Dec	SPBC	o	NA–NA	13– 9*	11	NA	NA	NA–NA	NA	5.6	0.54
Salomon/Dec	SB	n	59– 17	43– 17	22¾	–44	63	52– 6	26.5	9.4	0.50
San Diego G&E/Dec	SDO	n	43– 17	36– 28	31⅞	–11	100	13– 6	10.8	10.0	0.94
San Francisco Federal/Dec	SFFD	o	21– 10*	21– 13	14	–28	81	6– 3*	3.9	4.4	0.30
Santa Fe Southern†/Dec	SFX	n	65– 17*	65– 17	16¾	33	149	14– 2*	7.1	6.9	0.48
Sara Lee/Jun	SLE	n	49– 10	49– 27	42¼	–6	105	22– 7	16.3	15.1	0.48
Scana/Dec	SCG	n	43– 17	37– 27	31¼	–12	99	15– 6	9.8	10.0	1.13
Schering-Plough/Dec	SGP	n	57– 17	57– 31	54⅜	8	121	23– 9	19.9	16.5	2.25
Scott Paper/Dec	SPP	n	44– 10	44– 28	39	–51	55	16– 8	12.8	11.0	0.69
Seagate Technology/Jun	SGAT	o	46– 4	46– 10	22¼	–35	73	10– 4	9.6	11.6	1.01
Seamen's/Dec	SMN	a	9– 4*	9– 4	5¾	–34	74	7– 4*	5.1	3.8	0.25
Sears, Roebuck/Dec	S	n	60– 26	60– 26†	38⅛	–27	81	15– 6	9.7	8.2	0.30
Security Pacific/Dec	SPC	n	44– 19	44– 21	30½	–21	89	NM– 5	NM	5.7	0.44
Service Corp Intl/Apr	SRV	n	32– 9	32– 18	24¾	–20	90	27– 12	19.0	13.5	2.25
Service Merchandise/Dec	SMCH	o	27– 3	10– 3	7⅜	5	118	10– 7	9.8	7.6	0.09
Shawmut National/Dec	SHNA	o	NA–NA	NA–NA	24	NA	NA	11–NA	10.9	7.3	0.74
Sherwin-Williams/Dec	SHW	n	39– 11	39– 20	29¼	–22	88	22– 9	13.6	12.1	0.71
Sigma-Aldrich/Dec	SIAL	o	51– 14	51– 30	45¾	–1	111	34– 16	26.9	21.6	3.70
Signet Banking/Dec	SBK	n	39– 12	38– 21	30⅜	–16	94	43– 5	35.7	7.7	0.73
SmithKline Beckman/Dec	SKB	n	73– 25	73– 40	59½	9	122	17– 8	13.2	12.1	1.71
Snap-on Tools/Dec	SNA	n	47– 13	47– 24	41⅜	9	122	24– 10	19.4	16.8	2.29
Society/Dec	SOCI	o	40– 11	40– 27	34¼	2	115	11– 5	9.1	8.4	0.86
Society for Savings/Dec	SOCS	o	26– 4*	26– 13	18	–22	88	26– 5*	6.5	5.7	0.53
Sonat/Dec	SNT	n	43– 21	37– 22	28¼	–18	92	11– 5	10.9	15.7	0.81
Sonoco Products/Dec	SONO	o	31– 9	31– 18	26	13	127	22– 10	18.6	14.0	0.87
South Carolina Natl/Dec	SCNC	o	28– 9	27– 18	20¾	–17	93	16– 6	8.5	8.1	0.92
Southeast Banking/Dec	STB	n	31– 14	31– 17	25	–19	91	37– 6	21.9	6.8	0.62

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Earnings							Dividends			
net profit margin	latest 12 months EPS	1987 EPS	estimated 1988 EPS	% change '88 vs '87 EPS	number of analysts	confidence factor on estimate	indicated rate	yield	payout ratio	5-year growth rate
8.8%	$2.69	$2.25	$3.00	33%	9	average	$0.24	0.5%	9%	3%
5.8	6.12	6.12	7.09	16	29	very high	2.00	2.9	33	10
11.9	1.49	1.49	1.78	19	13	high	0.30	1.8	20	0
3.7	1.68	1.68	1.15	–32	2	NM	0.24	3.3	14	0
2.0	0.64	0.64	5.51	761	11	very low	1.20	2.7	188	3
4.7	3.95	3.95	5.33	35	21	low	0.80	1.7	20	3
0.2	0.07	0.07	2.50	NM	6	average	1.10	5.1	NM	9
5.9	3.24	2.24E	2.74	22	15	high	0.74	2.0	23	21
8.2	5.02	5.02	5.70	14	30	very high	1.92	3.7	38	9
2.6	1.26	1.26	1.99	58	21	low	1.10	3.3	87	9
5.1	1.11	1.11	1.45	31	4	average	0.24	1.9	22	0
5.7	2.46	2.27	2.62	15	23	average	0.72	3.6	29	11
8.9	2.85	2.85	3.13	10	21	high	0.92	2.7	32	14
16.9	0.66	0.60	0.90	50	16	low	0.08	0.3	12	72
NM	–8.51	–8.51	0.38	NM	2	NM	none	NA	NA	NA
2.7	0.17	0.17	0.55	224	1	NM	0.52	2.4	306	14
8.3	1.15	1.15	1.35	17	13	average	0.36	1.5	31	16
4.1	2.29	2.29	2.63	15	20	high	0.56	1.8	24	11
8.9	3.43	3.43	3.30	–4	28	average	0.96	3.9	28	12
10.5	1.06	1.06	1.33	25	12	very high	0.24	0.8	23	27
9.5	6.64	6.64	6.74	2	24	average	2.00	4.4	30	6
8.3	NA	NA	1.97	NM	5	average	0.20	1.8	NM	0
2.4	0.86	0.86	2.41	180	17	low	0.64	2.8	74	6
9.4	2.96	2.96	3.19	8	23	high	2.60	8.2	88	7
7.6	3.56	3.56	3.17	–11	5	average	none	NA	NA	NA
6.9	2.37	2.37	2.44	3	17	very low	1.00	6.0	42	17
3.0	2.59	2.35	2.79	19	24	very high	1.20	2.8	46	16
11.6	3.20	3.20	3.11	–3	21	high	2.40	7.7	75	4
11.7	2.73	2.73	3.30	21	34	very high	1.20	2.2	44	5
5.7	3.05	3.05	3.55	16	26	average	0.74	1.9	24	4
10.7	2.31	2.81	1.92	–32	21	average	none	NA	NA	NA
5.1	1.12	1.12	1.50	34	1	NM	0.40	7.0	36	0
3.1	3.95	3.95	4.66	18	26	high	2.00	5.2	51	1
0.2	0.01	0.01	5.38	NM	32	average	1.80	5.9	NM	13
11.7	1.30	1.51E	1.84	22	8	average	0.40	1.6	31	19
0.9	0.75	0.75	0.97	29	8	low	0.08	1.1	11	0
6.8	2.20	2.20	3.31	50	12	high	1.28	5.3	58	15
5.4	2.15	2.15	2.42	13	8	high	0.64	2.2	30	16
13.7	1.70	1.70	2.12	25	11	very high	0.32	0.7	19	17
2.3	0.85	0.85	3.96	366	18	high	1.32	4.3	155	21
13.2	4.50	4.50	4.91	9	38	very high	1.84	3.1	41	5
11.8	2.13	2.13	2.46	15	13	high	0.76	1.8	36	13
10.4	3.75	3.75	4.06	8	15	high	1.36	4.0	36	7
8.1	2.78	2.78	3.15	13	3	very high	0.60	3.3	22	0
7.4	2.59	2.59	1.79	–31	20	low	2.00	7.1	77	8
4.7	1.40	1.40	1.86	33	6	high	0.57	2.2	41	13
10.8	2.44	2.44	2.57	5	7	very high	0.56	2.7	23	6
3.3	1.14	1.14	3.70	225	20	very high	1.00	4.0	88	8

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan from Lotus CD Investment; Forbes.

The Forbes 500s on Wall Street

			Stock price			Stock performance —latest 12 months—		Stock price ratios price/earnings			
Company/fiscal year end	Ticker symbol	exch	5-year high-low	12-month high-low	recent	price change	relative to market	5-year high-low	latest 12 months	1988 est	price/ sales
So Calif Edison/Dec	SCE	n	39– 17	36– 28	31¾	–8%	104%	12– 5	10.3	9.5	1.25
Southern Company/Dec	SO	n	29– 14	27– 18	22⅞	–14	96	15– 5	11.9	8.3	0.96
So New England Tel/Dec	SNG	n	62– 28	58– 43	49⅜	–13	98	15– 7	10.9	10.0	1.04
Southmark/Jun	SM	n	14– 3	11– 3	2⅞	–74	29	12– 3	2.7	10.3	0.06
SouthTrust/Dec	SOTR	o	26– 6	25– 16	21⅛	–14	97	12– 5	8.7	7.9	1.04
Southwest Gas/Dec	SWX	n	27– 10	27– 18	21⅛	–11	98	14– 6	9.9	8.3	0.58
Southwestern Bell/Dec	SBC	n	46– 18*	46– 28	37⅞	–4	107	13– 6*	10.9	10.5	1.42
Southwestern Pub Svc/Aug	SPS	n	38– 16	30– 22	25⅜	–13	98	16– 7	10.8	10.8	1.34
Sovran Financial/Dec	SOVN	o	45– 16	43– 28	32½	–22	87	15– 6	8.9	8.0	0.95
Springs Industries/Dec	SMI	n	38– 15	38– 21	34⅛	19	133	31– 7	10.9	10.2	0.36
Square D/Dec	SQD	n	66– 30	66– 43	55	8	121	19– 9	14.4	12.1	1.03
Squibb/Dec	SQB	n	103– 18	103– 55	67½	–17	93	41– 11	19.7	16.1	3.22
Staley Continental/Sep	STA	n	35– 17	32– 17	25¾	–9	102	17– 11	17.1	13.5	0.23
Standard Fedl Bank/Dec	SFB	n	11– 5*	10– 5	8¾	–14	97	5– 2*	4.6	4.4	0.33
Stanley Works/Dec	SWK	n	37– 13	37– 21	30¾	–12	99	18– 8	15.4	12.7	0.75
State Street Boston/Dec	STBK	o	36– 7	36– 17	25⅛	–28	81	18– 5	11.3	10.5	1.21
JP Stevens/Oct	STN	n	64– 15	64– 21	63¾	49	167	19– 6	18.7	17.7	0.61
Stone Container/Dec	STO	n	43– 8	40– 15	31	4	116	11– 10	11.1	8.3	0.57
Stop & Shop Cos/Jan	SHP	n	44– 16	44– 17	43⅜	49	167	23– 7	21.6	18.9	0.27
Student Loan/Dec	SLM	n	90– 21*	90– 61	77⅝	0	112	24– 11*	18.8	14.6	1.72
Subaru of America/Oct	SBRU	o	39– 5	20– 5	6¼	–66	38	NM– 7	NM	NM	0.19
Sumitomo Bank Calif/Dec	SUMI	o	29– 11	29– 23	24	–2	110	13– 6	8.2	NA	0.55
Summit Bancorp/Dec	SUBN	o	35– 7	35– 20	26¼	–2	109	18– 6	12.9	11.8	1.51
Sun Company/Dec	SUN	n	73– 31	73– 36	58⅝	–10	101	30– 7	18.3	17.9	0.71
Sun Microsystems/Jun	SUNW	o	46– 11	46– 22	34⅞	13	127	48– 16	26.0	21.1	1.59
Sundstrand/Dec	SNS	n	65– 34	65– 36	54⅝	–12	99	35– 10	29.5	12.9	0.72
SunTrust Banks/Dec	STI	n	28– 16*	28– 17	22¾	–12	99	15– 8*	10.5	9.3	1.15
Super Food Services/Aug	SFS	a	29– 7	29– 15	24⅜	–12	98	19– 7	13.9	12.0	0.11
Super Valu Stores/Feb	SVU	n	30– 12	30– 16	21⅝	–26	83	25– 9	14.8	11.6	0.17
Sysco/Jun	SYY	n	42– 13	42– 23	33	–6	105	30– 12	22.0	17.1	0.37
Talman Home Federal/Dec	TLMN	o	13– 6*	13– 6	8⅛	–36	72	8– 3*	5.9	3.1	0.14
Tambrands/Dec	TMB	n	71– 23	71– 45	56½	–11	99	22– 9	16.4	14.1	2.33
Tandem Computers/Sep	TDM	n	38– 7	38– 17	19	–49	57	54– 12	18.4	15.3	1.66
Tandy/Jun	TAN	n	64– 23	57– 28	40½	–23	86	24– 9	12.5	11.6	0.99
TCF Financial/Dec	TCFC	o	18– 7*	18– 7	9½	–46	60	NM– 4*	NM	3.1	0.12
TECO Energy/Dec	TE	n	28– 11	28– 20	23	4	116	16– 7	11.8	10.8	1.34
Tecumseh Products/Dec	TECU	o	160– 79	160–115	145½	15	128	14– 6	11.1	11.2	0.84
Tektronix/May	TEK	n	43– 21	41– 21	29⅛	–27	82	42– 8	41.6	16.6	0.58
Tele-Communications/Dec	TCOMA	o	30– 4	30– 17	27⅝	26	142	NM– 13	NM	NM	2.95
Teledyne/Dec	TDY	n	390–127	390–242	339½	2	114	17– [illegible]	10.5	13.2	0.92
Temple-Inland/Dec	TIN	n	69– 20*	69– 35	48⅛	–26	83	20– 7*	10.3	8.3	0.69
Tenneco/Dec	TGT	n	63– 32	63– 36	44	–10	101	NM– 6	NM	21.6	0.44
Tesoro Petroleum/Sep	TSO	n	21– 8	17– 8	11¼	–9	102	NM– 5	NM	NA	0.12
Texaco/Dec	TX	n	49– 26	48– 27	45⅛	28	144	NM– 5	NM	17.4	0.32
Texas Air/Dec	TEX	a	52– 5	44– 9	13¼	–67	36	NM– 3	NM	NM	0.07
Texas American Bcsh/Dec	TXA	n	46– 3	16– 3	3½	–73	30	NM– 6	NM	NM	0.08
Texas Eastern/Dec	TET	n	41– 21	41– 21	29½	–21	89	16– 7	16.4	14.3	0.44
Texas Instruments/Dec	TXN	n	80– 29	80– 36	54⅛	–7	104	18– 8	18.3	13.9	0.76

*Range is for less than period indicated. NA: Not available or applicable. NM: Not meaningful. E: Estimate. Stock prices as of Mar. 18, 1988.

Earnings							Dividends			
net profit margin	latest 12 months EPS	1987 EPS	estimated 1988 EPS	% change '88 vs '87 EPS	number of analysts	confidence factor on estimate	indicated rate	yield	payout ratio	5-year growth rate
13.1%	$3.08	$3.08	$3.33	8%	30	high	$2.38	7.5%	77%	9%
7.9	1.92	1.92	2.77	44	28	average	2.14	9.4	111	6
9.5	4.54	4.54	4.93	9	13	very high	3.00	6.1	66	5
4.2	1.05	1.09	0.28	–74	2	NM	none	NA	NA	NA
12.0	2.44	2.44	2.67	9	12	very high	0.88	4.2	36	14
6.0	2.13	2.13	2.54	19	6	low	1.34	6.3	63	2
13.1	3.48	3.48	3.62	4	28	very high	2.32	6.1	67	24
13.4	2.36	2.18	2.34	7	16	high	2.12	8.4	90	7
10.8	3.67	3.67	4.06	11	28	very high	1.44	4.4	39	8
3.4	3.13	3.13	3.36	7	11	average	0.84	2.5	27	6
7.4	3.82	3.82	4.55	19	16	high	1.92	3.5	50	0
16.6	3.42	3.42	4.19	23	39	very high	1.60	2.4	47	9
1.7	1.51	1.48	1.91	29	11	average	0.80	3.1	53	2
7.0	1.90	1.90	1.98	4	3	very high	none	NA	NA	NA
4.9	2.00	2.00	2.43	22	15	high	0.88	2.9	44	11
11.0	2.23	2.23	2.40	8	14	high	0.48	1.9	22	20
3.5	3.41	3.29	3.61	10	13	average	none	NA	NA	NA
5.0	2.80	2.80	3.73	33	14	low	0.36	1.2	13	5
1.3	2.01	2.01	2.30	14	12	average	0.64	1.5	32	6
10.9	4.14	4.14	5.31	28	10	very high	0.54	0.7	13	68
NM	–1.12	–0.62	–0.31	NM	15	very low	none	NA	NA	NA
6.7	2.92	2.92	NA	NA	NA	NA	1.16	4.8	40	0
12.2	2.04	2.04	2.22	9	4	very high	0.72	2.7	35	8
4.0	3.21	3.21	3.28	2	29	low	3.00	5.1	93	9
6.3	1.34	1.11	1.65	49	32	high	none	NA	NA	NA
2.5	1.85	1.85	4.25	130	15	high	1.80	3.3	97	0
11.0	2.17	2.17	2.44	12	31	very high	0.68	3.0	31	0
0.8	1.76	1.68	2.03	21	7	very high	0.38	1.6	22	19
1.2	1.46	2.24E	1.87	–17	14	high	0.44	2.0	30	11
1.7	1.50	1.40	1.93	38	15	very high	0.32	1.0	21	15
2.5	1.37	1.37	2.60	90	3	high	0.20	2.5	15	0
14.2	3.45	3.45	4.01	16	16	high	1.92	3.4	56	6
9.5	1.03	1.08	1.24	15	31	very low	none	NA	NA	NA
7.9	3.23	2.70	3.49	29	29	very high	0.60	1.5	19	0
NM	–9.50	–9.50	3.08	NM	5	very low	none	NA	NA	NA
11.4	1.95	1.95	2.13	9	25	average	1.34	5.8	69	7
7.5	13.09	13.09	13.00	–1	2	NM	4.20	2.9	32	3
1.9	0.70	1.01E	1.76	74	11	low	0.60	2.1	86	4
2.5	0.23	0.23	0.30	30	8	very low	none	NA	NA	NA
8.8	32.25	32.25	25.78	–20	6	high	4.00	1.2	12	0
7.3	4.69	4.69	5.80	24	16	average	0.84	1.7	18	39
NM	–1.81	–1.81	2.04	NM	26	low	3.04	6.9	NM	3
NM	–0.84	–0.80	NA	NA	NA	NA	none	NA	NA	NA
12.8	–18.15	–18.15	2.60	NM	36	low	none	NA	NA	NA
NM	–12.58	–12.58	–3.97	NM	18	very low	none	NA	NA	NA
NM	–7.05	–7.05	–2.67	NM	4	very low	none	NA	NA	NA
2.7	1.80	1.80	2.07	15	23	low	1.00	3.4	56	–16
4.6	2.96	2.96	3.89	31	32	low	0.72	1.3	24	3

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan from Lotus CD Investment; Forbes.

The Forbes 500s on Wall Street

			Stock price			Stock performance —latest 12 months—		Stock price ratios price/earnings			
Company/fiscal year end	**Ticker symbol**	**exch**	**5-year high-low**	**12-month high-low**	**recent**	**price change**	**relative to market**	**5-year high-low**	**latest 12 months**	**1988 est**	**price/ sales**
Texas Utilities/Dec	TXU	n	38– 21	34– 26	27⅜	–18%	92%	9– 5	6.0	5.8	1.02
Textron/Dec	TXT	n	40– 13	40– 17	23¾	–30	79	17– 6	7.2	8.2	0.29
Time Inc/Dec	TL	n	117– 34	117– 66	93	3	116	33– 10	22.2	17.9	1.28
Times Mirror/Dec	TMC	n	53– 14	53– 30	38¾	–12	99	26– 8	18.8	15.0	1.62
Timken/Dec	TKR	n	80– 40	80– 43	71¾	34	150	NM– 12	NM	NA	0.82
Torchmark/Dec	TMK	n	39– 7	37– 22	30	–6	105	16– 7	10.1	9.0	1.15
Toys "R" Us/Jan	TOY	n	43– 14	43– 22	35¾	–8	103	39– 17	22.9	17.8	1.45
Trans World Airlines/Dec	TWA	n	35– 7	35– 14	27⅞	0	112	NM– 7	NM	21.0	0.21
Transamerica/Dec	TA	n	52– 21	52– 23	36⅝	4	116	20– 6	6.7	8.6	0.38
Transco Energy/Dec	E	n	61– 18	50– 18	27½	–42	65	NM– 5	NM	16.9	0.26
Travelers/Dec	TIC	n	60– 26	51– 31	37	–27	82	20– 6	13.0	8.3	0.22
Triangle Industries/Dec	TRI	n	44– 3	44– 23	27⅝	–19	91	15– 3	14.5	7.5	0.14
Tribune/Dec	TRB	n	50– 12	50– 30	41⅛	7	120	25– 10	22.9	16.1	1.45
Trinova/Dec	TNV	n	44– 10	44– 20	34¾	5	118	29– 7	15.8	13.4	0.71
Trustcorp/Dec	TTCO	o	42– 18	35– 21	23¾	–31	77	16– 7	7.4	7.2	0.68
TRW/Dec	TRW	n	70– 29	70– 37	53	5	118	25– 9	13.2	12.1	0.46
Tucson Electric/Dec	TEP	n	65– 27	62– 49	56⅜	–3	109	14– 4	11.4	10.9	2.96
Turner/Dec	TUR	a	31– 15	29– 15	16¾	–39	69	NM– 6	NM	4.9	0.03
TW Services/Dec	TW	n	23– 9*	23– 9	18⅜	6	119	61– 8*	15.8	13.2	0.36
Tyson Foods/Sep	TYSNA	o	26– 1	24– 11	13½	–38	69	36– 6	12.3	11.1	0.48
Union Camp/Dec	UCC	n	48– 21	48– 26	35⅞	–22	88	29– 8	12.7	9.9	1.12
Union Carbide/Dec	UK	n	33– 6	33– 16	25	–14	97	14– 4	14.2	9.3	0.48
Union Electric/Dec	UEP	n	32– 12	31– 20	23⅝	–18	92	11– 4	8.1	9.0	1.24
Union National/Dec	UNBC	o	47– 12	37– 25	29	–17	93	17– 6	9.5	8.9	0.98
Union Pacific/Dec	UNP	n	87– 34	87– 45	65⅞	–16	94	24– 9	12.9	12.1	1.16
Union Planters/Dec	UPCM	o	40– 14	37– 18	25¼	–32	76	28– 10	18.2	7.7	0.69
Unisys/Dec	UIS	n	48– 15	48– 24	34⅝	–3	108	11– 8	11.0	10.0	0.53
United Artists/Aug	UACI	o	32– 3	32– 15	31⅝	39	156	49– 8	49.4	NA	1.86
United Banks of Colo/Dec	UBKS	o	35– 14	25– 14	14⅝	–42	65	NM– 6	NM	9.8	0.40
United Brands/Dec	UB	n	51– 9	51– 28	50¾	9	122	19– 5	12.8	NA	0.22
United Cable TV/May	UCT	n	33– 5	33– 18	32⅞	45	163	NM– 40	NM	73.1	5.11
United Financial/Dec	UFGI	o	13– 0	4– 0	0½	–84	18	NM– 1	NM	NA	0.01
United Illuminating/Dec	UIL	n	36– 9	33– 20	20	–35	73	6– 2	3.3	15.4	0.56
United Jersey Banks/Dec	UJB	n	33– 9	33– 17	21½	–28	81	16– 6	9.3	8.1	1.03
United Missouri Bcsh/Dec	UMSB	o	30– 12	30– 24	27¾	10	123	13– 5	10.9	10.3	1.22
US Bancorp/Dec	USBC	o	31– 10	31– 19	24⅝	–15	95	16– 6	10.1	7.9	0.87
US Shoe/Jan	USR	n	35– 12	35– 13	25⅛	–9	102	31– 7	31.4	17.2	0.51
United Technologies/Dec	UTX	n	61– 28	61– 30	42¼	–20	90	9– 7	9.3	8.3	0.32
United Telecom/Dec	UT	n	33– 17	33– 24	29⅞	0	113	NM– 7	NM	14.9	1.01
Universal/Jun	UVV	n	37– 15	37– 26	30¼	–7	104	11– 6	8.4	9.1	0.22
Unocal/Dec	UCL	n	49– 16	45– 21	37⅞	3	115	24– 6	24.3	18.8	0.52
UNUM Corp/Dec	UNM	n	31– 15*	27– 15	21½	–13	97	15– 9*	11.1	7.6	0.48
Upjohn/Dec	UPJ	n	54– 8	54– 23	31⅜	–28	81	35– 8	19.3	15.4	2.32
US West/Dec	USW	n	62– 28*	60– 43	53½	–5	107	12– 6*	10.1	9.6	1.18
USAir Group/Dec	U	n	54– 22	54– 26	36¼	–19	91	14– 4	6.9	8.0	0.52
USF&G/Dec	FG	n	49– 18	47– 26	33¼	–28	80	10– 5	9.7	7.2	0.54
USG/Dec	USG	n	56– 10	56– 23	35	–17	93	22– 4	8.8	10.1	0.62
USLife/Dec	USH	n	50– 22	44– 27	37⅛	–13	97	13– 6	8.8	8.4	0.55

*Range is for less than period indicated. NA: Not available or applicable. NM: Not meaningful. E: Estimate. Stock prices as of Mar. 18, 1988.

Earnings							Dividends			
net profit margin	latest 12 months EPS	1987 EPS	estimated 1988 EPS	% change '88 vs '87 EPS	number of analysts	confidence factor on estimate	indicated rate	yield	payout ratio	5-year growth rate
16.7%	$4.55	$4.55	$4.71	4%	27	very high	$2.88	10.5%	63%	6%
4.0	3.29	3.29	2.90	–12	13	average	1.00	4.2	30	2
6.0	4.18	4.18	5.19	24	25	average	1.00	1.1	24	3
8.7	2.06	2.06	2.58	25	26	high	0.92	2.4	45	7
0.8	0.78	0.78	NA	NA	NA	NA	1.20	1.7	154	–22
12.6	2.98	2.98	3.32	11	21	very high	1.00	3.3	34	27
6.5	1.56	1.56	2.01	29	25	high	none	NA	NA	NA
1.1	–0.34	–0.34	1.33	NM	16	very low	none	NA	NA	NA
6.0	5.47	5.47	4.28	–22	17	average	1.84	5.0	34	6
NM	–3.52	–3.52	1.63	NM	24	very low	1.36	4.9	NM	0
1.7	2.85	2.85	4.44	56	28	low	2.40	6.5	84	1
1.3	1.90	1.90	3.67	93	4	very low	0.12	0.4	6	6
6.6	1.80	1.80	2.56	42	20	high	0.76	1.8	42	36
4.5	2.20	2.20	2.59	18	12	high	0.56	1.6	25	3
9.9	3.19	3.19	3.29	3	4	average	1.40	5.9	44	1
3.6	4.01	4.01	4.39	9	22	high	1.60	3.0	40	1
26.7	4.95	4.95	5.17	4	14	very high	3.90	6.9	79	13
NM	–5.09	–5.09	3.40	NM	1	NM	1.30	7.8	NM	3
2.3	1.16	1.16	1.39	20	11	average	0.10	0.5	9	0
3.9	1.10	1.06	1.22	15	6	average	0.04	0.3	4	42
9.0	2.83	2.83	3.64	29	19	average	1.16	3.2	41	2
3.4	1.76	1.76	2.68	52	23	low	1.50	6.0	85	9
17.2	2.91	2.91	2.63	–10	20	average	1.92	8.1	66	4
10.3	3.06	3.06	3.25	6	5	very high	1.36	4.7	44	5
9.8	5.10	5.10	5.46	7	21	very low	2.00	3.0	39	3
3.9	1.39	1.39	3.29	137	9	very low	0.60	2.4	43	0
6.0	3.15	3.15	3.47	10	28	high	0.92	2.7	29	–1
3.7	0.64	0.12	NA	NA	NA	NA	none	NA	NA	NA
0.1	–0.10	–0.10	1.49	NM	11	low	none	NA	NA	NA
1.9	3.98	3.98	NA	NA	NA	NA	0.60	1.2	15	0
NM	–0.19	0.04E	0.45	NM	2	NM	0.06	0.2	NM	10
NM	–14.53	–14.53	NA	NA	NA	NA	none	NA	NA	NA
19.1	5.99	5.99	1.30	–78	1	NM	2.32	11.6	39	–4
11.5	2.31	2.31	2.65	15	12	very high	0.96	4.5	42	12
11.3	2.55	2.55	2.70	6	5	very high	0.68	2.5	27	9
8.6	2.43	2.43	3.11	28	22	very high	1.00	4.1	41	7
1.7	0.80	0.80	1.46	83	11	low	0.46	1.8	58	5
3.4	4.52	4.52	5.10	13	26	high	1.40	3.3	31	–4
NM	–0.55	–0.55	2.00	NM	23	low	1.92	6.4	NM	3
2.7	3.60	3.25	3.34	3	7	average	1.28	4.2	36	10
2.1	1.56	1.56	2.02	29	46	low	1.00	2.6	64	–1
4.5	1.94	1.94	2.82	45	6	average	0.40	1.9	21	0
12.1	1.63	1.63	2.04	25	39	high	0.72	2.3	44	13
11.9	5.31	5.31	5.60	5	30	very high	3.28	6.1	62	17
6.5	5.28	5.28	4.54	–14	21	low	0.12	0.3	2	–2
5.5	3.44	3.44	4.60	34	24	low	2.48	7.5	72	8
7.0	3.96	3.96	3.46	–13	11	low	1.12	3.2	28	18
6.7	4.21	4.21	4.42	5	12	high	1.28	3.4	30	8

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan from Lotus CD Investment; Forbes.

The Forbes 500s on Wall Street

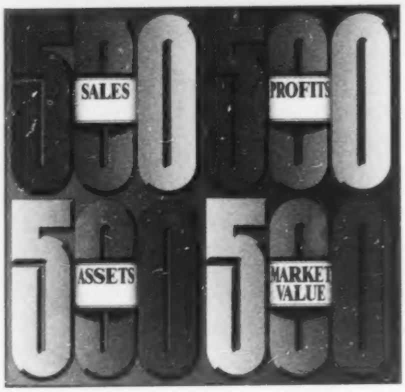
			Stock price			Stock performance —latest 12 months—		Stock price ratios —price/earnings—			
Company/fiscal year end	Ticker symbol	exch	5-year high-low	12-month high-low	recent	price change	relative to market	5-year high-low	latest 12 months	1988 est	price/ sales
UST Inc/Dec	UST	n	32– 13	32– 20	30¼	14%	127%	17– 9	13.4	11.4	2.89
USX/Dec	X	n	39– 15	39– 21	31¾	16	130	65– 8	64.8	11.4	0.60
Utah Power & Light/Dec	UTP	n	37– 20	31– 21	29¼	13	126	23– 8	12.2	12.1	1.75
Valhi/Dec	VHI	n	15– 1	15– 5	9⅛	82	204	57– 3	57.0	NA	0.76
Valley Bancorp/Dec	VYBN	o	31– 10	31– 21	23	–8	102	15– 5	11.2	9.1	0.92
Valley Federal S&L/Dec	VFED	o	22– 3	22– 10	16¾	–5	106	6– 4	6.3	5.3	0.31
Valley National/Dec	VNCP	o	50– 18	43– 26	29¾	–29	80	NM– 6	NM	6.6	0.55
VF/Dec	VFC	n	48– 11	48– 22	32½	–22	87	20– 6	12.3	10.6	0.86
Viacom/Dec	VIA	a	NA–NA	29– 10*	25¼	NA	NA	NA–NA	NA	NM	1.33
Vons Cos/Dec	VON	n	14– 2	14– 6	7⅛	–21	89	NM– 16	NM	25.5	0.06
Vulcan Materials/Dec	VMC	n	164– 58	164– 95	151	9	122	19– 9	13.8	12.8	1.71
Wal-Mart Stores/Jan	WMT	n	43– 7	43– 20	29¾	2	114	44– 19	26.8	21.3	1.05
Walgreen/Aug	WAG	n	45– 13	45– 25	32⅞	–12	99	27– 11	18.6	15.0	0.46
Wang Laboratories/Jun	WANB	a	43– 10	19– 10	12⅝	–24	85	21– 13	21.4	14.9	0.68
Warner Commun/Dec	WCI	n	39– 9	39– 18	32⅞	2	114	18– 10	17.6	14.8	1.22
Warner-Lambert/Dec	WLA	n	88– 26	88– 48	76¾	–1	111	19– 10	18.5	15.8	1.51
Washington Mutual/Dec	WAMU	o	27– 4	27– 11	14¾	–38	69	5– 2	5.2	5.5	0.40
Washington Post/Dec	WPOB	a	269– 60	269–150	223⅞	19	133	27– 11	15.4	17.5	2.19
Washington Water/Dec	WWP	n	32– 16	30– 22	25¾	–13	97	27– 5	11.1	11.0	1.44
Waste Management/Dec	WMX	n	49– 7	49– 28	36⅞	–6	105	33– 10	25.3	19.5	3.01
Weis Markets/Dec	WMK	n	42– 13	42– 27	31	5	118	26– 11	18.7	16.8	1.25
Wells Fargo/Dec	WFC	n	60– 14	60– 38	53⅞	4	116	NM– 5	NM	6.9	0.62
West Point-Pepperell/Sep	WPM	n	36– 17	36– 21	34¾	17	131	19– 6	14.0	13.6	0.60
Western Capital Inv/Dec	WECA	o	22– 10*	21– 10	15¼	–8	103	NM– 6*	NM	9.2	0.38
Western S&L/Dec	WSL	n	27– 4	23– 7	7⅝	–67	37	23– 3	3.4	NA	0.14
Westinghouse/Dec	WX	n	75– 20	75– 40	51¾	–20	89	15– 7	10.1	9.2	0.70
Westvaco/Oct	W	n	38– 13	38– 23	31½	–9	102	22– 7	12.5	11.6	1.04
Wetterau/Mar	WETT	o	27– 8	27– 16	20⅞	–13	97	18– 8	13.5	11.0	0.13
Weyerhaeuser/Dec	WY	n	60– 25	60– 30	43½	–24	86	48– 9	13.7	10.6	0.67
Whirlpool/Dec	WHR	n	42– 18	41– 20	27⅜	-31	77	16– 7	10.8	9.7	0.45
Whitney Holding/Dec	‡	o	66– 40	66– 51	50½	–9	101	16– 8	12.5	NA	1.48
Wickes Cos/Jan	WIX	n	41– 7	25– 7	10½	–46	61	4– 2	3.8	8.3	0.14
Willamette Inds/Dec	WMTT	o	64– 14	63– 31	47½	–24	85	36– 6	9.9	8.7	0.84
Williams Cos/Dec	WMB	n	38– 18	38– 20	25⅞	–19	91	11– 5	10.6	16.2	0.57
Wilmington Trust/Dec	WILM	o	36– 6	36– 20	30	–15	95	18– 6	12.2	10.6	1.83
Wilson Foods/Jul	WILF	o	15– 4	13– 7	10¾	–12	98	41– 9	41.3	9.2	0.08
Winn-Dixie Stores/Jun	WIN	n	59– 26	52– 38	42⅜	–13	97	23– 9	15.2	15.0	0.19
Wisconsin Energy/Dec	WEC	n	32– 11	27– 21	24⅝	–3	109	13– 6	9.7	9.7	1.20
Witco/Dec	WIT	n	47– 15	47– 27	35¼	–23	87	16– 6	13.0	10.8	0.55
FW Woolworth/Jan	Z	n	60– 15	60– 30	48⅛	–4	108	17– 8	12.6	11.1	0.43
Wm Wrigley Jr/Dec	WWY	n	41– 7	41– 20	40⅝	57	176	24– 8	24.0	20.3	1.05
Xerox/Dec	XRX	n	85– 33	85– 50	57¼	–23	86	21– 9	10.7	9.5	0.38
Yellow Freight Sys/Dec	YELL	o	43– 12	43– 21	31⅜	–1	111	30– 7	21.8	14.4	0.51
Zayre/Jan	ZY	n	44– 11	37– 14	21⅝	–28	80	39– 8	10.3	13.3	0.20
Zenith Electronics/Dec	ZE	n	39– 10	34– 10	17½	–29	80	NM– 7	NM	19.7	0.19
Zions Bancorporation/Dec	ZION	o	64– 19	47– 19	24¼	–47	59	NM– 6	NM	7.8	0.50

*Range is for less than period indicated. ‡No ticker symbol for Whitney Holding. NA: Not available or applicable. NM: Not meaningful. E: Estimate. Stock prices as of Mar. 18, 1988.

Earnings							Dividends			
net profit margin	latest 12 months EPS	1987 EPS	estimated 1988 EPS	% change '88 vs '87 EPS	number of analysts	confidence factor on estimate	indicated rate	yield	payout ratio	5-year growth rate
22.7%	$2.25	$2.25	$2.66	18%	15	average	$0.52	1.7%	23%	19%
1.5	0.49	0.49	2.78	467	29	low	1.20	3.8	245	6
14.7	2.39	2.39	2.42	1	19	low	2.32	7.9	97	0
0.8	0.16	0.16	NA	NA	NA	NA	none	NA	NA	NA
8.2	2.05	2.05	2.52	23	3	very high	0.88	3.8	43	6
5.2	2.66	2.66	3.15	18	1	NM	none	NA	NA	NA
NM	–2.25	–2.25	4.53	NM	21	average	1.44	4.8	NM	10
7.0	2.65	2.65	3.06	15	19	very high	0.84	2.6	32	14
NM	NA	NA	–5.00	NM	1	NM	none	NA	NA	NA
NM	–0.14	–0.14	0.28	NM	2	NM	none	NA	NA	NA
12.6	10.94	10.24	11.83	16	6	average	3.92	2.6	36	9
3.9	1.11	1.11	1.40	26	28	high	0.16	0.5	14	32
2.5	1.77	1.68	2.19	30	14	high	0.60	1.8	34	15
3.1	0.59	–0.44	0.85	NM	31	low	0.16	1.3	27	12
8.8	1.87	1.87	2.22	19	22	average	0.56	1.7	30	0
8.5	4.15	4.15	4.87	17	36	very high	2.16	2.8	52	6
7.7	2.83	2.83	2.69	–5	11	average	0.40	2.7	14	0
14.2	14.52	14.52	12.77	–12	17	high	1.56	0.7	11	4
17.1	2.31	2.31	2.35	2	5	low	2.48	9.6	107	0
11.9	1.46	1.46	1.89	29	23	very high	0.36	1.0	25	21
6.7	1.66	1.66	1.85	11	6	very high	0.50	1.6	30	15
1.1	0.52	0.52	7.80	NM	32	average	2.00	3.7	385	16
4.3	2.49	2.38	2.56	8	13	very high	1.20	3.5	48	–1
0.1	0.03	0.03	1.65	NM	5	low	none	NA	NA	NA
5.3	2.23	2.23	NA	NA	NA	NA	0.22	2.9	10	26
6.9	5.12	5.12	5.65	10	21	very high	1.72	3.3	34	17
8.1	2.53	2.25	2.72	21	18	average	0.80	2.5	32	6
0.9	1.55	1.64E	1.90	16	6	very high	0.52	2.5	34	4
5.1	3.18	3.18	4.10	29	22	average	1.80	4.1	57	1
4.3	2.53	2.53	2.81	11	12	average	1.10	4.0	43	3
11.8	4.03	4.03	NA	NA	NA	NA	2.56	5.1	64	NA
4.0	2.78	2.78	1.27	–54	8	very low	none	NA	NA	NA
8.5	4.78	4.78	5.44	14	11	average	1.20	2.5	25	5
5.1	2.54	2.54	1.66	–35	13	low	1.40	5.2	55	4
15.2	2.46	2.46	2.84	15	8	average	0.84	2.8	34	14
0.3	0.26	0.40	1.17	192	6	low	none	NA	NA	NA
1.3	2.78	2.72	2.82	4	6	average	0.62	1.5	22	4
12.4	2.55	2.55	2.54	0	27	high	1.44	5.8	56	8
4.4	2.72	2.72	3.27	20	11	high	1.28	3.6	47	8
3.5	3.81	3.81	4.32	13	25	high	1.32	2.7	35	8
9.0	1.69	1.69	2.00	18	7	very high	0.98	2.4	29	71
3.8	5.35	5.35	6.05	13	14	average	3.00	5.2	56	0
2.3	1.44	1.44	2.18	51	23	average	0.62	2.0	43	11
2.0	2.10	2.10	1.63	–22	14	low	0.40	1.8	19	42
NM	–0.78	–0.78	0.89	NM	9	very low	none	NA	NA	NA
NM	–2.51	–2.51	3.09	NM	5	average	1.44	5.9	NM	4

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan from Lotus CD Investment; Forbes.

Where to find The Forbes 500s



This section lists basic data on the 796 companies in the Forbes 500s. Address, telephone, industry group and CEO are included.

Abbott Laboratories
Route 137 & Waukegan Road
Abbott Park, IL 60064
312-937-6100
CEO: Robert A Schoellhorn
Health-drugs
Health-medical supplies

Aetna Life & Casualty
151 Farmington Avenue
Hartford, CT 06156
203-273-0123
CEO: James T Lynn
Insurance-diversified

Affiliated Publications
135 Morrissey Boulevard
Boston, MA 02107
617-929-3035
CEO: William O Taylor
Communications-publishing

HF Ahmanson
3731 Wilshire Boulevard
Los Angeles, CA 90010
213-487-4277
CEO: Richard H Deihl
Banks-thrift institutions

Air Products & Chemicals
PO Box 538
Allentown, PA 18105
215-481-4911
CEO: Dexter F Baker
Chemicals-specialized

Albertson's
PO Box 20
Boise, ID 83726
208-385-6200
CEO: Warren E McCain
Food distributors-major supermarkets

Alco Health Services
PO Box 959
Valley Forge, PA 19482-0959
215-296-4480
CEO: John H Kennedy
Health-drugs

Alco Standard
PO Box 834
Valley Forge, PA 19482-0834
215-296-8000
CEO: Ray B Mundt
Conglomerates
Services & related products-office

Alexander & Alexander Services
1211 Avenue of the Americas
New York, NY 10036
212-840-8500
CEO: Tinsley H Irvin
Insurance-brokers

Alexander & Baldwin
PO Box 3440
Honolulu, HI 96801
808-525-6611
CEO: Robert J Pfeiffer
Surface transportation-shipping

Allegheny Power System
320 Park Avenue
New York, NY 10022
212-752-2121
CEO: Klaus Bergman
Electric utilities-northeast

Allegis
PO Box 66919
Chicago, IL 60666
312-956-2400
CEO: Stephen M Wolf
Air transport-passenger

Allied-Signal
PO Box 4000R
Morristown, NJ 07960
201-455-2000
CEO: Edward L Hennessy Jr
Aerospace & defense
Automotive-auto parts/Chemicals-specialized

Alltel
100 Executive Parkway
Hudson, OH 44236
216-650-7000
CEO: Joe T Ford
Telecommunications-carriers

Altus Bank FSB
PO Box 16267
Mobile, AL 36616
205-473-0500
CEO: William L Watson III
Banks-thrift institutions

Aluminum Co Of America
1501 Alcoa Building
Pittsburgh, PA 15219
412-553-4545
CEO: Paul H O'Neill
Metals-nonferrous

AMAX
200 Park Avenue
New York, NY 10166
203-629-6000
CEO: Allen Born
Coal
Metals-nonferrous

Amdahl
Box 3470
Sunnyvale, CA 94088-3470
408-746-6000
CEO: John C Lewis
Electronics-computers

Amerada Hess
1185 Avenue of the Americas
New York, NY 10036
212-997-8500
CEO: Leon Hess
Oil & gas-domestic

American Brands
PO Box 811
Old Greenwich, CT 06870-0811
203-698-5000
CEO: William J Alley
Conglomerates
Beverages & tobacco-tobacco

American Capital
1221 Brickell Avenue
Miami, FL 33131
305-526-1400
CEO: Jack D Burstein
Banks-thrift institutions

American Continental
2735 East Camelback Road
Phoenix, AZ 85016
602-957-7170
CEO: Charles H Keating Jr
Banks-thrift institutions
Finance-services

American Cyanamid
One Cyanamid Plaza
Wayne, NJ 07470
201-831-2000
CEO: George J Sella Jr
Chemicals-diversified
Health-drugs

American Electric Power
One Riverside Plaza
Columbus, OH 43215
614-223-1000
CEO: Willis S White Jr
Electric utilities-north central

American Express
American Express Tower
New York, NY 10285-4805
212-640-2000
CEO: James D Robinson III
Finance-services

American Family
1932 Wynnton Road
Columbus, GA 31999
404-323-3431
CEO: John B Amos
Insurance-life & health

American General
PO Box 3247
Houston, TX 77253
713-522-1111
CEO: Harold S Hook
Insurance-diversified

American Home Products
685 Third Avenue
New York, NY 10017-4085
212-878-5000
CEO: John R Stafford
Health-drugs

American International Group
70 Pine Street
New York, NY 10270
212-770-7000
CEO: Maurice R Greenberg
Insurance-diversified

American Medical International
414 North Camden Drive
Beverly Hills, CA 90210
213-278-6200
CEO: Walter L Weisman
Health-services

American National Insurance
One Moody Plaza
Galveston, TX 77550
409-763-4661
CEO: Orson C Clay
Insurance-life & health

American Petrofina
8350 North Central Expressway
Dallas, TX 75206
214-750-2900
CEO: Kenneth W Perry
Oil & gas-domestic

American President Cos Ltd
1800 Harrison Street
Oakland, CA 94612
415-272-8000
CEO: W Bruce Seaton
Surface transportation-shipping

American Savings & Loan Assn of Fla
17801 NW Second Avenue
Miami, FL 33169-5089
305-653-5353
CEO: Edward P Mahoney
Banks-thrift institutions

American Savings Bank FSB
99 Church Street
White Plains, NY 10601
914-287-2600
CEO: John T Morgan
Banks-thrift institutions

American Standard
40 West 40th Street
New York, NY 10018
212-703-5100
CEO: William B Boyd
Building-commercial/Surface transportation-railroads/Building-miscellaneous materials

American Stores
PO Box 27447
Salt Lake City, UT 84127-0447
801-539-0112
CEO: Lennie S Skaggs
Food distributors-major supermarkets
Retailing-drugs

American Telephone & Telegraph
550 Madison Avenue
New York, NY 10022-3297
212-605-5500
CEO: James E Olson
Telecommunications-carriers

AmeriFirst Bank
PO Box 026029
Miami, FL 33102-6029
305-577-6100
CEO: Thomas R Bomar
Banks-thrift institutions

Ameritech
30 South Wacker Drive
Chicago, IL 60606
312-750-5000
CEO: William L Weiss
Telecommunications-carriers

AmeriTrust
PO Box 5937
Cleveland, OH 44101-0937
216-687-5000
CEO: Jerry V Jarrett
Banks-north central

Ames Department Stores
2418 Main Street
Rocky Hill, CT 06067-0801
203-563-8234
CEO: Peter B Hollis
Retailing-discount & variety

Amfac
PO Box 7813
San Francisco, CA 94120
415-772-3300
CEO: Richard L Griffith
Conglomerates
Food processors-commodities

Amoco
PO Box 87703
Chicago, IL 60680-0703
312-856-6111
CEO: Richard M Morrow
Oil-international

Amoskeag
Prudential Center
Boston, MA 02199-4599
617-262-4000
CEO: Joseph B Ely II
Consumer-home furnishings

AMP
Harrisburg, PA 17105-3608
717-564-0100
CEO: Walter F Raab
Electronics-equipment

AMR
PO Box 619616
DFW Airport, TX 75261-9616
817-355-1234
CEO: Robert L Crandall
Air transport-passenger

AmSouth Bancorporation
PO Box 11007
Birmingham, AL 35288
205-320-7151
CEO: John W Woods
Banks-southeast

Anadarko Petroleum
PO Box 1330
Houston, TX 77251-1330
713-875-1101
CEO: Robert J Allison Jr
Oil & gas-domestic

Anchor Savings Bank FSB
1420 Broadway
Hewlett, NY 11557
516-596-3900
CEO: Donald L Thomas
Banks-thrift institutions

Anheuser-Busch Cos
One Busch Place
St Louis, MO 63118-1852
314-577-2000
CEO: August A Busch III
Beverages & tobacco-alcoholic beverages

Where to find The Forbes 500s

Aon (formerly Combined Intl)
123 North Wacker Drive
Chicago, IL 60606
312-701-3000
CEO: Patrick G Ryan
Insurance-diversified

Apple Bank for Savings
205 East 42nd Street
New York, NY 10017
212-573-8000
CEO: Jerome R McDougal Jr
Banks-thrift institutions

Apple Computer
20525 Mariani Avenue
Cupertino, CA 95014
408-996-1010
CEO: John Sculley
Electronics-computers

Archer-Daniels-Midland
PO Box 1470
Decatur, IL 62525
217-424-5200
CEO: Dwayne O Andreas
Food processors-commodities

Argonaut Group
1800 Avenue of the Stars
Los Angeles, CA 90067
213-553-0561
CEO: Charles E Rinsch
Insurance-property & casualty

Aristech Chemical
600 Grant Street
Pittsburgh, PA 15230-0250
412-433-1121
CEO: Thomas Marshall
Chemicals-diversified

Arkla
PO Box 21734
Shreveport, LA 71151
318-429-2700
CEO: Thomas F McLarty III
Natural gas-integrated

Armco
300 Interpace Parkway
Parsippany, NJ 07054-0324
201-316-5200
CEO: Robert E Boni
Metals-steel

Armstrong World Industries
PO Box 3001
Lancaster, PA 17604
717-397-0611
CEO: William W Adams
Building-miscellaneous materials

Asarco
180 Maiden Lane
New York, NY 10038
212-669-1000
CEO: Richard de J Osborne
Metals-nonferrous

Ashland Oil
PO Box 391
Ashland, KY 41114
606-329-3333
CEO: John R Hall
Oil & gas-domestic

Atlantic Energy (formerly Atlantic City Electric)
PO Box 1264
Pleasantville, NJ 08232
609-645-4500
CEO: E Douglas Huggard
Electric utilities-northeast

Atlantic Financial Federal
50 Monument Road
Bala Cynwyd, PA 19004
215-668-6600
CEO: Donald R Caldwell
Banks-thrift institutions

Atlantic Richfield
515 South Flower Street
Los Angeles, CA 90071
213-486-3511
CEO: Lodwrick M Cook
Oil & gas-domestic

Automatic Data Processing
One ADP Boulevard
Roseland, NJ 07068-1728
201-994-5000
CEO: Josh S Weston
Services & related products-office

Avery International
150 N Orange Grove Boulevard
Pasadena, CA 91103
818-304-2000
CEO: Charles D Miller
Services & related
products-office.

Avnet
767 Fifth Avenue
New York, NY 10153
212-644-1050
CEO: Anthony R Hamilton
Electronics-semiconductors

Avon Products
9 West 57th Street
New York, NY 10019
212-546-6015
CEO: Hicks B Waldron
Consumer-personal products

Baker Hughes
PO Box 4740
Houston, TX 77210-4740
713-439-8600
CEO: James D Woods
Oilfield services

Ball Corp
PO Box 2407
Muncie, IN 47307-0407
317-747-6100
CEO: Richard M Ringoen
Packaging

Bally Manufacturing
8700 West Bryn Mawr Avenue
Chicago, IL 60631
312-399-1300
CEO: Robert E Mullane Jr
Leisure-entertainment
Leisure-hotels & gaming

Baltimore Bancorp
PO Box 896
Baltimore, MD 21203
301-244-3360
CEO: Harry L Robinson
Banks-Mid-Atlantic

Baltimore Gas & Electric
PO Box 1475
Baltimore, MD 21203
301-234-5000
CEO: George V McGowan
Electric utilities-northeast
Natural gas-distributors

Banc One
100 East Broad Street
Columbus, OH 43271-0261
614-248-5944
CEO: John B McCoy
Banks-north central

Banco Popular de Puerto Rico
GPO Box 2708
San Juan, PR 00936-2708
809-765-9800
CEO: Rafael Carrión Jr
Banks-southeast

Bancorp Hawaii
PO Box 2900
Honolulu, HI 96846
808-537-8111
CEO: Frank J Manaut
Banks-western

Bank of Boston
100 Federal Street
Boston, MA 02110
617-434-2200
CEO: Ira Stepanian
Banks-multinational

Bank of New England
28 State Street
Boston, MA 02109
617-742-4000
CEO: Walter J Connolly Jr
Banks-northeast

Bank of New York
48 Wall Street
New York, NY 10286
212-530-1784
CEO: John Carter Bacot
Banks-northeast

Bank South
PO Box 5092
Atlanta, GA 30302
404-529-4111
CEO: Robert P Guyton
Banks-southeast

Where to find The Forbes 500s

BankAmerica
Box 37000
San Francisco, CA 94137
415-622-3456
CEO: Alden W Clausen
Banks-multinational

Bankers Trust New York
280 Park Avenue
New York, NY 10017
212-250-[illegible]
CEO: Charles S Sanford Jr
Banks-multinational

BanPonce
GPO Box G-3108
San Juan, PR 00936
809-754-9400
CEO: Alberto M Paracchini
Banks-southeast

CR Bard
731 Central Avenue
Murray Hill, NJ 07974
201-277-8000
CEO: Robert H McCaffrey
Health-medical supplies

Barnett Banks
PO Box 40789
Jacksonville, FL 32203-0789
904-791-7720
CEO: Charles E Rice
Banks-southeast

Battle Mountain Gold
PO Box 1383
Houston, TX 77251-1383
713-227-6330
CEO: Douglas J Bourne
Metals-nonferrous

Bausch & Lomb
PO Box 54
Rochester, NY 14601
716-338-6000
CEO: Daniel E Gill
Health-medical supplies

Baxter Travenol Laboratories
One Baxter Parkway
Deerfield, IL 60015
312-948-2000
CEO: Vernon R Loucks Jr
Health-medical supplies

BayBanks
175 Federal Street
Boston, MA 02110
617-482-1040
CEO: William M Crozier Jr
Banks-northeast

Bear Stearns Cos
245 Park Avenue
New York, NY 10167
212-272-2000
CEO: Alan C Greenberg
Finance-brokerage houses

Becton Dickinson
One Becton Drive
Franklin Lakes, NJ 07417-1880
201-848-6800
CEO: Wesley J Howe
Health-medical supplies

Bell Atlantic
1600 Market Street
Philadelphia, PA 19103
215-963-6000
CEO: Thomas E Bolger
Telecommunications-carriers

BellSouth
1155 Peachtree Street NE
Atlanta, GA 30367-6000
404-249-2000
CEO: John L Clendenin
Telecommunications-carriers

Beneficial Corp
PO Box 911
Wilmington, DE 19899
302-798-0800
CEO: Finn M W Caspersen
Finance-services

Benj Franklin Federal S&L
501 SE Hawthorne Boulevard
Portland, OR 97214
503-248-1234
CEO: G Dale Weight
Banks-thrift institutions

Bergen Brunswig
4000 Metropolitan Drive
Orange, CA 92668-3510
714-385-4000
CEO: Emil P Martini Jr
Health-drugs

Berkshire Hathaway
1440 Kiewit Plaza
Omaha, NE 68131
402-346-1400
CEO: Warren E Buffett
Conglomerates
Insurance-property & casualty

Best Products
PO Box 26303
Richmond, VA 23260
804-261-2000
CEO: Robert E R Huntley
Retailing-catalog showrooms

Bethlehem Steel
Martin Tower
Bethlehem, PA 18016
215-694-2424
CEO: Walter F Williams
Metals-steel

Beverly Enterprises
PO Box 90130
Pasadena, CA 91109-5130
818-577-6111
CEO: Robert Van Tuyle
Health-services

Black & Decker
701 East Joppa Road
Towson, MD 21204
301-583-3900
CEO: Nolan D Archibald
Consumer-appliances

H&R Block
4410 Main Street
Kansas City, MO 64111
816-753-6900
CEO: Henry W Bloch
Finance-services
Services & related products-office

Boatmen's Bancshares
PO Box 236
St Louis, MO 63166
314-425-7500
CEO: Andrew B Craig III
Banks-north central

Boeing
PO Box 3707
Seattle, WA 98124
206-655-2121
CEO: Frank A Shrontz
Aerospace & defense

Boise Cascade
One Jefferson Square
Boise, ID 83728
208-384-6161
CEO: John B Fery
Paper
Building-lumber

Borden
277 Park Avenue
New York, NY 10172
212-573-4000
CEO: Romeo J Ventres
Food processors-branded foods
Chemicals-diversified

Boston Edison
800 Boylston Street
Boston, MA 02199
617-424-2000
CEO: Stephen J Sweeney
Electric utilities-northeast

Bowater
PO Box 4012
Darien, CT 06820-4012
203-656-7200
CEO: Anthony P Gammie
Paper

Branch Corporation
PO Box 1847
Wilson, NC 27893
919-399-4291
CEO: L Vincent Lowe Jr
Banks-southeast

Bristol-Myers
345 Park Avenue
New York, NY 10154
212-546-4000
CEO: Richard L Gelb
Health-drugs
Consumer-personal products

Where to find The Forbes 500s

Brown-Forman
PO Box 1080
Louisville, KY 40210
502-585-1100
CEO: W L Lyons Brown Jr
Beverages & tobacco-alcoholic beverages

Brown Group
PO Box 29
St Louis, MO 63166
314-854-4000
CEO: Bernard A Bridgewater Jr
Retailing-shoes/Clothing-shoe manufacturer
Retailing-miscellaneous

Browning-Ferris Industries
PO Box 3151
Houston, TX 77253
713-870-8100
CEO: Harry J Phillips Sr
Services & related products-industrial

Brunswick
One Brunswick Plaza
Skokie, IL 60077
312-470-4700
CEO: Jack F Reichert
Leisure-recreation

Burlington Northern
999 Third Avenue
Seattle, WA 98104-4097
206-467-3838
CEO: Richard M Bressler
Surface transportation-railroads
Natural gas-producers & pipeliners

Cabot
PO Box 9073
Waltham, MA 02254-9073
617-890-0200
CEO: Robert A Charpie
Chemicals-specialized
Oil & gas-domestic

CalFed
5670 Wilshire Boulevard
Los Angeles, CA 90036
213-932-4200
CEO: George P Rutland
Banks-thrift institutions

California First Bank
350 California Street
San Francisco, CA 94104-1476
415-445-0200
CEO: Seishichi Itoh
Banks-western

CalMat
3200 San Fernando Road
Los Angeles, CA 90065
213-258-2777
CEO: A Frederick Gerstell
Building-cement & gypsum

Campbell Soup
Campbell Place
Camden, NJ 08103-1799
609-342-4800
CEO: R Gordon McGovern
Food processors-branded foods

Capital Cities/ABC
24 East 51st Street
New York, NY 10022
212-421-9595
CEO: Thomas S Murphy
Communications-broadcasting
Communications-publishing

Capital Holding
PO Box 32830
Louisville, KY 40232
502-560-2000
CEO: Irving W Bailey II
Insurance-life & health

Carnival Cruise Lines
3915 Biscayne Boulevard
Miami, FL 33137
305-573-6030
CEO: Micky Arison
Leisure-recreation

Carolina Power & Light
PO Box 1551
Raleigh, NC 27602
919-836-6111
CEO: Sherwood H Smith Jr
Electric utilities-southeast

Carter Hawley Hale Stores
PO Box 17902
Los Angeles, CA 90017
213-620-0150
CEO: Philip M Hawley
Retailing-department stores

Carteret Bancorp
200 South Street
Morristown, NJ 07960
201-326-1000
CEO: Robert B O'Brien Jr
Banks-thrift institutions

Castle & Cooke
10900 Wilshire Boulevard
Los Angeles, CA 90024
213-824-1500
CEO: David H Murdock
Food processors-branded foods

Caterpillar
100 Northeast Adams Street
Peoria, IL 61629-7310
309-675-1000
CEO: George A Schaefer
Heavy equipment-building & mining

CBS
51 West 52nd Street
New York, NY 10019
212-975-4321
CEO: Laurence A Tisch
Communications-broadcasting

Centel
8725 Higgins Road
Chicago, IL 60631
312-399-2500
CEO: John P Frazee Jr
Telecommunications-carriers

Centerior Energy
PO Box 94661
Cleveland, OH 44101-4661
216-447-3100
CEO: Robert M Ginn
Electric utilities-north central

Centerre Bancorporation
One Centerre Plaza
St Louis, MO 63101
314-554-6066
CEO: Clarence C Barksdale
Banks-north central

Centex
PO Box 19000
Dallas, TX 75219
214-559-6500
CEO: Paul R Seegers
Building-residential
Building-commercial

Central & South West
PO Box 660164
Dallas, TX 75266-0164
214-754-1000
CEO: Durwood Chalker
Electric utilities-south central

Central Bancshares of the South
701 South 20th Street
Birmingham, AL 36233
205-933-3000
CEO: Harry B Brock Jr
Banks-southeast

Central Fidelity Banks
PO Box 27602
Richmond, VA 23261
804-782-4000
CEO: Carroll L Saine
Banks-Mid-Atlantic

Central Illinois Public Service
607 East Adams Street
Springfield, IL 62739
217-523-3600
CEO: Donald G Raymer
Electric utilities-north central

CenTrust Savings Bank
101 East Flagler Street
Miami, FL 33131
305-376-5000
CEO: David L Paul
Banks-thrift institutions

Champion International
One Champion Plaza
Stamford, CT 06921
203-358-7000
CEO: Andrew C Sigler
Paper
Building-lumber

Chase Manhattan
One Chase Manhattan Plaza
New York, NY 10081
212-552-2222
CEO: Willard C Butcher
Banks-multinational

Where to find The Forbes 500s

Chemical New York
277 Park Avenue
New York, NY 10172
212-310-6161
CEO: Walter V Shipley
Banks-multinational

Chevron
225 Bush Street
San Francisco, CA 94104-4289
415-894-7700
CEO: George M Keller
Oil-international

Chicago Pacific
200 South Michigan Avenue
Chicago, IL 60604
312-435-7300
CEO: Harvey Kapnick
Consumer-appliances

Chrysler
PO Box 1919
Detroit, MI 48288-1919
313-956-5741
CEO: Lee A Iacocca
Automotive-autos & trucks

Chubb
PO Box 1615
Warren, NJ 07061-1615
201-580-2000
CEO: Henry U Harder
Insurance-property & casualty

Cigna
One Logan Square
Philadelphia, PA 19103
215-523-4000
CEO: Robert D Kilpatrick
Insurance-diversified
Finance-services

Cincinnati Bell
PO Box 2301
Cincinnati, OH 45201
513-397-9900
CEO: Dwight H Hibbard
Telecommunications-carriers

Cincinnati Financial
PO Box 145496
Cincinnati, OH 45250-5496
513-870-2000
CEO: John J Schiff
Insurance-diversified

Cincinnati Gas & Electric
PO Box 960
Cincinnati, OH 45201
513-381-2000
CEO: Jackson H Randolph
Electric utilities-north central
Natural gas-distributors

Circle K
PO Box 52084
Phoenix, AZ 85072-2084
602-253-9600
CEO: Karl Eller
Food distributors-convenience stores

Circus Circus Enterprises
PO Box 14967
Las Vegas, NV 89114
702-734-0410
CEO: William G Bennett
Leisure-hotels & gaming

Citadel Holding
600 North Brand Boulevard
Glendale, CA 91203
818-956-7100
CEO: James A Taylor
Banks-thrift institutions

Citicorp
399 Park Avenue
New York, NY 10043
212-559-1000
CEO: John S Reed
Banks-multinational

Citizens & Southern
PO Box 4899
Atlanta, GA 30302-4899
404-581-2121
CEO: Bennett A Brown
Banks-southeast

Citizens Utilities
PO Box 3801
Stamford, CT 06905
203-329-8800
CEO: Ishier Jacobson
Telecommunications-carriers
Electric utilities-south central

City National
400 North Roxbury Drive
Beverly Hills, CA 90210
213-550-5400
CEO: Bram Goldsmith
Banks-western

CityFed Financial
PO Box 2872
Palm Beach, FL 33480
305-655-5919
CEO: Alfred J Hedden
Banks-thrift institutions

Clorox
1221 Broadway
Oakland, CA 94612
415-271-7000
CEO: Charles R Weaver
Consumer-household products

CMS Energy (formerly Consumers Power)
212 West Michigan Avenue
Jackson, MI 49201
517-788-0550
CEO: William T McCormick Jr
Electric utilities-north central
Natural gas-distributors

Coast Savings & Loan Association
1000 Wilshire Boulevard
Los Angeles, CA 90017-2457
213-688-2000
CEO: Ray Martin
Banks-thrift institutions

Coastal Corp
Nine Greenway Plaza
Houston, TX 77046-0995
713-877-1400
CEO: Oscar S Wyatt Jr
Oil & gas-domestic
Natural gas-producers & pipeliners

Coca-Cola
PO Drawer 1734
Atlanta, GA 30301
404-676-2121
CEO: Roberto C Goizueta
Beverages & tobacco-soft drinks

Coca-Cola Enterprises
PO Box 1778
Atlanta, GA 30301-1778
404-676-2100
CEO: Brian G Dyson
Beverages & tobacco-soft drinks

Colgate-Palmolive
300 Park Avenue
New York, NY 10022
212-310-2000
CEO: Reuben Mark
Consumer-personal products

Colorado National Bankshares
PO Box 5166
Denver, CO 80217
303-629-1968
CEO: Will F Nicholson Jr
Banks-western

Colt Industries
430 Park Avenue
New York, NY 10022
212-940-0400
CEO: David I Margolis
Aerospace & defense/Automotive-auto parts
Heavy equipment-industrial

Columbia Gas System
20 Montchanin Road
Wilmington, DE 19807
302-429-5000
CEO: John H Croom
Natural gas-integrated

Columbia Savings & Loan Association
8840 Wilshire Boulevard
Beverly Hills, CA 90211
213-657-6134
CEO: Thomas Spiegel
Banks-thrift institutions

Combustion Engineering
PO Box 9308
Stamford, CT 06904
203-329-8771
CEO: Charles E Hugel
Heavy equipment-industrial

Comcast
One Belmont Avenue
Bala Cynwyd, PA 19004
215-667-4200
CEO: Ralph J Roberts
Communications-broadcasting

Where to find The Forbes 500s

Comdisco
6400 Shafer Court
Rosemont, IL 60018
312-698-3000
CEO: Kenneth N Pontikes
Services & related products-office

Comerica
211 West Fort Street
Detroit, MI 48275
313-222-3300
CEO: Donald R Mandich
Banks-north central

Commerce Bancshares
PO Box 13686
Kansas City, MO 64199-3686
816-234-2000
CEO: David W Kemper
Banks-north central

Commerce Clearing House
2700 Lake Cook Road
Riverwoods, IL 60015
312-940-4600
CEO: Richard T Merrill
Communications-publishing
Services & related products-office

Commercial Credit
300 St Paul Place
Baltimore, MD 21202
301-332-3000
CEO: Sanford I Weill
Finance-services

Commercial Federal
2120 South 72nd Street
Omaha, NE 68124
402-554-9200
CEO: William A Fitzgerald
Banks-thrift institutions

Commonwealth Edison
PO Box 767
Chicago, IL 60690-0767
312-294-4321
CEO: James J O'Connor
Electric utilities-north central

Community Psychiatric Centers
24502 Pacific Park Drive
Laguna Hills, CA 92653
714-831-1166
CEO: James W Conte
Health-services

Compaq Computer
20555 FM 149
Houston, TX 77070
713-370-0670
CEO: Joseph R Canion
Electronics-computers

Computer Associates International
711 Stewart Avenue
Garden City, NY 11530-4787
516-227-3300
CEO: Charles B Wang
Services & related products-office

ConAgra
One Central Park Plaza
Omaha, NE 68102
402-978-4000
CEO: Charles M Harper
Food processors-branded foods

Consolidated Edison
4 Irving Place
New York, NY 10003
212-460-4600
CEO: Arthur Hauspurg
Electric utilities-northeast

Consolidated Freightways
PO Box 10340
Palo Alto, CA 94303
415-494-2900
CEO: Raymond F O'Brien
Surface transportation-trucking & leasing

Consolidated Natural Gas
Four Gateway Center
Pittsburgh, PA 15222-3199
412-227-1000
CEO: George A Davidson Jr
Natural gas-integrated

Consolidated Papers
PO Box 8050
Wisconsin Rapids, WI 54495-8050
715-422-3111
CEO: George W Mead
Paper

Consolidated Rail
Six Penn Center Plaza
Philadelphia, PA 19103-2959
215-977-4000
CEO: L Stanley Crane
Surface transportation-railroads

Contel
PO Box 105194
Atlanta, GA 30348
404-391-8000
CEO: Donald W Weber
Telecommunications-carriers

Continental Corp
180 Maiden Lane
New York, NY 10038
212-440-3980
CEO: John P Mascotte
Insurance-diversified

Continental Illinois
231 South LaSalle Street
Chicago, IL 60697
312-828-2345
CEO: Thomas C Theobald
Banks-multinational

Control Data
PO Box 0
Minneapolis, MN 55440
612-853-8100
CEO: Robert M Price
Electronics-computers

Cooper Industries
PO Box 4446
Houston, TX 77210
713-739-5400
CEO: Robert Cizik
Electrical equipment
Heavy equipment-industrial

Adolph Coors
Golden, CO 80401
303-279-6565
CEO: Jeffrey H Coors
Beverages & tobacco-alcoholic beverages

CoreStates Financial
PO Box 7618
Philadelphia, PA 19101-7618
215-629-3100
CEO: Terrence A Larson
Banks-Mid-Atlantic

Corning Glass Works
Houghton Park
Corning, NY 14831
607-974-9000
CEO: James R Houghton
Electronics-equipment/Consumer-home furnishings/Health-medical supplies

Costco Wholesale
PO Box 97077
Kirkland, WA 98083-9777
206-828-8100
CEO: Jeffrey H Brotman
Retailing-miscellaneous

CPC International
PO Box 8000
Englewood Cliffs, NJ 07632
201-894-4000
CEO: James R Eiszner
Food processors-branded foods
Food processors-commodities

Cray Research
608 Second Avenue South
Minneapolis, MN 55402
612-333-5889
CEO: John A Rollwagen
Electronics-computers

Crestar Financial (formerly United Virginia Bancshares)
PO Box 26665
Richmond, VA 23261-6665
804-782-5000
CEO: Richard G Tilghman
Banks-Mid-Atlantic

CrossLand Savings FSB
211 Montague Street
Brooklyn, NY 11201
718-780-0400
CEO: Maurice L Reissman
Banks-thrift institutions

Crown Cork & Seal
9300 Ashton Road
Philadelphia, PA 19136
215-698-5100
CEO: John F Connelly
Packaging

Where to find The Forbes 500s

CSX
PO Box C-32222
Richmond, VA 23261
804-782-1400
CEO: Hays T Watkins
Surface transportation-railroads
Natural gas-producers & pipeliners

Cullen/Frost Bankers
PO Box 1600
San Antonio, TX 78296
512-220-4011
CEO: Thomas C Frost
Banks-south central

Cummins Engine
Box 3005
Columbus, IN 47202-3005
812-377-5000
CEO: Henry B Schacht
Automotive-auto parts

Dana
PO Box 1000
Toledo, OH 43697
419-535-4500
CEO: Gerald B Mitchell
Automotive-auto parts

Dauphin Deposit
213 Market Street
Harrisburg, PA 17105
717-255-2121
CEO: William J King
Banks-Mid-Atlantic

Dayton Hudson
777 Nicollet Mall
Minneapolis, MN 55402
612-370-6948
CEO: Kenneth A Macke
Retailing-discount & variety

DCNY Corp
58 Pine Street
New York, NY 10005
212-248-8900
CEO: Ralph F Peters
Finance-services

Dean Foods
3600 North River Road
Franklin Park, IL 60131
312-625-6200
CEO: Howard M Dean
Food processors-branded foods

Deere
John Deere Road
Moline, IL 61265
309-765-8000
CEO: Robert A Hanson
Heavy equipment-agricultural

Delmarva Power & Light
PO Box 231
Wilmington, DE 19899
302-429-3011
CEO: Nevius M Curtis
Electric utilities-northeast

Delta Air Lines
Hartsfield Atlanta Airport
Atlanta, GA 30320
404-765-2600
CEO: Ronald W Allen
Air transport-passenger

Deluxe Check Printers
PO Box 64399
St Paul, MN 55164-0399
612-483-7111
CEO: Harold V Haverty
Communications-publishing

Deposit Guaranty
PO Box 1200
Jackson, MS 39215-1200
601-354-8564
CEO: Emerson B Robinson Jr
Banks-south central

Detroit Edison
2000 Second Avenue
Detroit, MI 48226
313-237-8000
CEO: Walter J McCarthy Jr
Electric utilities-north central

Diamond Shamrock R&M
PO Box 696000
San Antonio, TX 78269-6000
512-641-6800
CEO: Roger R Hemminghaus
Oil & gas-domestic

Digital Equipment
146 Main Street
Maynard, MA 01754
617-493-5111
CEO: Kenneth H Olsen
Electronics-computers

Dillard Department Stores
PO Box 486
Little Rock, AR 72203
501-376-5200
CEO: William T Dillard Sr
Retailing-department stores

Dime Savings Bank of New York FSB
1225 Franklin Avenue
Garden City, NY 11530
516-227-6030
CEO: Harry W Albright Jr
Banks-thrift institutions

Walt Disney
500 South Buena Vista Street
Burbank, CA 91521
818-840-1000
CEO: Michael D Eisner
Leisure-entertainment

Dominion Bankshares
PO Box 13327
Roanoke, VA 24040
703-563-7000
CEO: Warner N Dalhouse
Banks-Mid-Atlantic

Dominion Resources
PO Box 26532
Richmond, VA 23261
804-775-5700
CEO: William W Berry
Electric utilities-southeast

RR Donnelley & Sons
2223 Martin Luther King Drive
Chicago, IL 60616
312-326-8000
CEO: John B Schwemm
Communications-publishing

Dover
277 Park Avenue
New York, NY 10172
212-826-7160
CEO: Gary L Roubos
Conglomerates
Building-commercial

Dow Chemical
2030 Willard H Dow Center
Midland, MI 48674
517-636-1000
CEO: Frank P Popoff
Chemicals-diversified

Dow Jones
200 Liberty Street
New York, NY 10281
212-416-2000
CEO: Warren H Phillips
Communications-publishing

Downey Savings & Loan Assn
PO Box 6000
Costa Mesa, CA 92626
714-549-8811
CEO: Gerald H McQuarrie
Banks-thrift institutions

DPL
Courthouse Plaza Southwest
Dayton, OH 45402
513-224-6000
CEO: Peter H Forster
Electric utilities-north central
Natural gas-distributors

Dresser Industries
PO Box 718
Dallas, TX 75201
214-740-6000
CEO: John J Murphy
Oilfield services
Heavy equipment-industrial

Dreyfus
767 Fifth Avenue
New York, NY 10153
212-715-6000
CEO: Howard Stein
Finance-services

EI du Pont de Nemours
1007 Market Street
Wilmington, DE 19898
302-774-1000
CEO: Richard E Heckert
Chemicals-diversified
Oil-international

Where to find The Forbes 500s

Duke Power
PO Box 33189
Charlotte, NC 28242
704-373-4011
CEO: William S Lee
Electric utilities-southeast

Dun & Bradstreet
299 Park Avenue
New York, NY 10171
212-593-6800
CEO: Charles W Moritz
Communications-publishing
Communications-media services

Duquesne Light
One Oxford Centre
Pittsburgh, PA 15279
412-393-6000
CEO: Wesley W von Schack
Electric utilities-north central

Eastman Kodak
343 State Street
Rochester, NY 14650
716-724-4000
CEO: Colby H Chandler
Leisure-photography

Eaton
Eaton Center
Cleveland, OH 44114
216-523-5000
CEO: James R Stover
Electronics-equipment
Automotive-auto parts

Ecolab
Ecolab Center
St Paul, MN 55102
612-293-2233
CEO: Pierson M Grieve
Services & related products-industrial

EG&G
45 William Street
Wellesley, MA 02181
617-237-5100
CEO: John M Kucharski
Electronics-equipment
Aerospace & defense

Emerson Electric
8000 West Florissant Avenue
St Louis, MO 63136
314-553-2000
CEO: Charles F Knight
Electrical equipment
Consumer-appliances

Emhart
PO Box 2730
Hartford, CT 06101
203-678-3000
CEO: Peter L Scott
Conglomerates
Building-miscellaneous materials

Empire of America FSB
One Empire Tower
Buffalo, NY 14202-3771
716-845-7000
CEO: Paul A Willax
Banks-thrift institutions

Engelhard
Menlo Park CN-40
Edison, NJ 08818
201-632-6000
CEO: Orin R Smith
Metals-nonferrous
Chemicals-specialized

Enron
PO Box 1188
Houston, TX 77251-1188
713-853-6161
CEO: Kenneth L Lay
Natural gas-producers & pipeliners

Enserch
300 South St Paul Street
Dallas, TX 75201
214-651-8700
CEO: William C McCord
Natural gas-integrated
Building-commercial

Equimark
2 Oliver Plaza
Pittsburgh, PA 15222
412-288-5000
CEO: Alan S Fellheimer
Banks-Mid-Atlantic

Equitable Bancorporation
100 South Charles Street
Baltimore, MD 21201-2791
301-547-4000
CEO: H Grant Hathaway
Banks-Mid-Atlantic

Ethyl
PO Box 2189
Richmond, VA 23217
804-788-5000
CEO: Floyd D Gottwald Jr
Chemicals-specialized
Insurance-life & health

Exxon
1251 Avenue of the Americas
New York, NY 10020-1198
212-333-1000
CEO: Lawrence G Rawl
Oil-international

Far West Financial
4001 MacArthur Boulevard
Newport Beach, CA 92660
714-833-8583
CEO: William Belzberg
Banks-thrift institutions

Farm & Home Savings Assn
PO Box 1893
Nevada, MO 64772
417-667-3333
CEO: Donald F Roby
Banks-thrift institutions

Farmers Group
4680 Wilshire Boulevard
Los Angeles, CA 90010
213-932-3200
CEO: Leo E Denlea Jr
Insurance-diversified

Federal Express
PO Box 727-1854
Memphis, TN 38194
901-369-3600
CEO: Frederick W Smith
Air transport-freight

Federal National Mortgage Assn
3900 Wisconsin Avenue NW
Washington, DC 20016-2899
202-537-7000
CEO: David O Maxwell
Finance-services

Federal Paper Board
75 Chestnut Ridge Road
Montvale, NJ 07645
201-391-1776
CEO: John R Kennedy
Paper
Packaging

Federated Department Stores
7 West Seventh Street
Cincinnati, OH 45202
513-579-7000
CEO: Howard Goldfeder
Retailing-department stores

Fieldcrest Cannon
326 East Stadium Drive
Eden, NC 27288
919-627-3000
CEO: Joseph B Ely II
Consumer-home furnishings

Fifth Third Bancorp
38 Fountain Square Plaza
Cincinnati, OH 45263
513-579-5300
CEO: Clement L Buenger
Banks-north central

Financial Corp of Santa Barbara
PO Box 1109
Santa Barbara, CA 93102-1109
805-682-2300
CEO: Philip R Brinkerhoff
Banks-thrift institutions

Financial Corp of America
PO Box 19689
Irvine, CA 92713-9689
714-553-6900
CEO: William J Popejoy
Banks-thrift institutions

Fireman's Fund
777 San Marin Drive
Novato, CA 94998
415-899-2000
CEO: John J Byrne
Insurance-property & casualty

Firestone Tire & Rubber
205 North Michigan Avenue
Chicago, IL 60601-5965
312-819-0001
CEO: John J Nevin
Automotive-tire & rubber

Where to find The Forbes 500s

First Alabama Bancshares
PO Box 1448
Montgomery, AL 36102
205-832-8011
CEO: Willard L Hurley
Banks-southeast

First American
First American Center
Nashville, TN 37237
615-748-2100
CEO: Kenneth L Roberts
Banks-southeast

First Bancorporation of Ohio
106 South Main Street
Akron, OH 44308
216-384-8000
CEO: Howard L Flood
Banks-north central

First Bank System
PO Box 522
Minneapolis, MN 55480
612-370-5100
CEO: Dewalt H Ankeny Jr
Banks-north central

First Boston
Park Avenue Plaza
New York, NY 10055
212-909-2000
CEO: Peter T Buchanan
Finance-brokerage houses

First Capital
PO Box 291
Jackson, MS 39205-0291
601-354-5111
CEO: Frank R Day
Banks-south central

First Chicago
One First National Plaza
Chicago, IL 60670
312-732-4000
CEO: Barry F Sullivan
Banks-multinational

First Citizens BancShares
PO Box 151
Raleigh, NC 27602
919-755-7000
CEO: Lewis R Holding
Banks-southeast

First City Bancorporation of Texas
PO Box 2387
Houston, TX 77252
713-658-6011
CEO: James A Elkins Jr
Banks-south central

First Columbia Financial
PO Box 17127
Denver, CO 80217-0127
303-773-3444
CEO: Bob R Baker
Banks-thrift institutions

First Commerce
PO Box 60279
New Orleans, LA 70160
504-561-1371
CEO: Ian Arnof
Banks-south central

First Empire State
One M&T Plaza
Buffalo, NY 14240
716-842-5445
CEO: Robert G Wilmers
Banks-northeast

First Executive
PO Box 6090
Inglewood, CA 90312-6090
213-312-1000
CEO: Fred Carr
Insurance-life & health

First Federal of Michigan
1001 Woodward Avenue
Detroit, MI 48226
313-965-1400
CEO: James A Aliber
Banks-thrift institutions

First Fidelity Bancorp
550 Broad Street
Newark, NJ 07102
201-565-3200
CEO: Harold W Pote
Banks-Mid-Atlantic

First Florida Banks
PO Box 1810
Tampa, FL 33601
813-224-1111
CEO: A Bronson Thayer
Banks-southeast

First Hawaiian
PO Box 3200
Honolulu, HI 96847
808-525-7000
CEO: John D Bellinger
Banks-western

First Interstate Bancorp
PO Box 54068
Los Angeles, CA 90054
213-614-3001
CEO: Joseph J Pinola
Banks-western

First Kentucky National
PO Box 36000
Louisville, KY 40233
502-581-4200
CEO: A Stevens Miles
Banks-southeast

First Maryland Bancorp
25 South Charles Street
Baltimore, MD 21201
301-244-4000
CEO: Charles W Cole Jr
Banks-Mid-Atlantic

First National Cincinnati
425 Walnut Street
Cincinnati, OH 45202
513-632-4000
CEO: Oliver W Waddell
Banks-north central

First of America Bank
108 East Michigan Avenue
Kalamazoo, MI 49007
616-383-9000
CEO: Daniel R Smith
Banks-north central

First Pennsylvania
PO Box 7558
Philadelphia, PA 19101-7558
215-786-5000
CEO: George A Butler
Banks-Mid-Atlantic

First RepublicBank (formerly RepublicBank)
PO Box 660020
Dallas, TX 75266-0020
214-922-5031
CEO: Gerald W Fronterhouse
Banks-south central

First Security
PO Box 30006
Salt Lake City, UT 84130
801-350-6000
CEO: Spencer F Eccles
Banks-western

First Tennessee National
PO Box 84
Memphis, TN 38101
901-523-4444
CEO: Ronald Terry
Banks-southeast

First Union
First Union Plaza
Charlotte, NC 28288
704-374-6565
CEO: Edward E Crutchfield Jr
Banks-southeast

First Virginia Banks
6400 Arlington Boulevard
Falls Church, VA 22046
703-241-4000
CEO: Robert H Zalokar
Banks-Mid-Atlantic

First Wachovia
PO Box 3099
Winston-Salem, NC 27150
919-770-5000
CEO: John G Medlin Jr
Banks-southeast

First Wisconsin
PO Box 532
Milwaukee, WI 53201
414-765-4321
CEO: John H Hendee Jr
Banks-north central

Where to find The Forbes 500s

Fleet/Norstar Financial
50 Kennedy Plaza
Providence, RI 02903
401-278-5800
CEO: Peter D Kiernan
Banks-northeast

Fleetwood Enterprises
PO Box 7638
Riverside, CA 92523
714-351-3500
CEO: John C Crean
Automotive-recreational vehicles
Building-residential

Fleming Cos
PO Box 26647
Oklahoma City, OK 73126-0647
405-840-7200
CEO: Richard D Harrison
Food distributors-wholesalers

FlightSafety International
Marine Air Terminal-LaGuardia
Flushing, NY 11371
718-565-4100
CEO: Albert L Ueltschi
Services & related products-industrial

Florida Federal Savings & Loan Assn
PO Box 1509
St Petersburg, FL 33731
813-893-1131
CEO: Garth Marston
Banks-thrift institutions

Florida National Banks of Florida
PO Box 689
Jacksonville, FL 32201-0689
904-359-5111
CEO: John D Uible
Banks-southeast

Florida Progress
PO Box 33042
St Petersburg, FL 33701
813-895-1700
CEO: Andrew H Hines Jr
Electric utilities-southeast

Fluor
3333 Michelson Drive
Irvine, CA 92730
714-975-2000
CEO: David S Tappan Jr
Building-commercial

FMC
200 East Randolph Drive
Chicago, IL 60601
312-861-6000
CEO: Robert H Malott
Chemicals-diversified
Aerospace & defense

Food Lion
PO Box 1330
Salisbury, NC 28145-1330
704-633-8250
CEO: Tom E Smith
Food distributors-regional supermarkets

Ford Motor
PO Box 1899
Dearborn, MI 48121
313-322-3000
CEO: Donald E Petersen
Automotive-autos & trucks

Fort Howard
PO Box 19130
Green Bay, WI 54307-9130
414-435-8821
CEO: Paul J Schierl
Paper
Packaging

Fortune Financial Group
PO Box 6100
Clearwater, FL 34618-6100
813-538-1000
CEO: John B Sweger
Banks-thrift institutions

FPL Group
PO Box 08801
North Palm Beach, FL 33408-8801
305-694-6300
CEO: Marshall McDonald
Electric utilities-southeast
Insurance-diversified

Freeport-McMoRan
PO Box 61119
New Orleans, LA 70161
504-582-4000
CEO: James R Moffett
Chemicals-specialized
Oil & gas-domestic

GAF
1361 Alps Road
Wayne, NJ 07470
201-628-3000
CEO: Samuel J Heyman
Chemicals-specialized
Building-miscellaneous materials

Gannett
PO Box 7858
Washington, DC 20044
703-284-6000
CEO: John J Curley
Communications-publishing

Gap
PO Box 60
San Bruno, CA 94066
415-952-4400
CEO: Donald G Fisher
Retailing-apparel

Geico
Geico Plaza
Washington, DC 20076
301-986-3000
CEO: William B Snyder
Insurance-property & casualty

GenCorp
175 Ghent Road
Fairlawn, OH 44313-3300
216-869-4200
CEO: A William Reynolds
Aerospace & defense

Genentech
460 Point San Bruno Boulevard
South San Francisco, CA 94080
415-266-1000
CEO: Robert A Swanson
Health-drugs

General Cinema
27 Boylston Street
Chestnut Hill, MA 02167
617-232-8200
CEO: Richard A Smith
Beverages & tobacco-soft drinks
Leisure-entertainment

General Dynamics
Pierre Laclede Center
St Louis, MO 63105-1861
314-889-8200
CEO: Stanley C Pace
Aerospace & defense

General Electric
3135 Easton Turnpike
Fairfield, CT 06431
203-373-2211
CEO: John F Welch Jr
Aerospace & defense
Electrical equipment/Consumer-appliances

General Instrument
767 Fifth Avenue
New York, NY 10153-0082
212-207-6200
CEO: Frank G Hickey
Electronics-equipment/Electronics-semiconductors/Electronics-computers

General Mills
PO Box 1113
Minneapolis, MN 55440
612-540-2311
CEO: H Brewster Atwater Jr
Food processors-branded foods
Restaurant chains

General Motors
3044 West Grand Boulevard
Detroit, MI 48202
313-556-5000
CEO: Roger B Smith
Automotive-autos & trucks

General Public Utilities
100 Interpace Parkway
Parsippany, NJ 07054-1149
201-263-6500
CEO: William G Kuhns
Electric utilities-northeast

General Re
PO Box 10351
Stamford, CT 06904-2351
203-328-5000
CEO: Ronald E Ferguson
Insurance-diversified

General Signal
PO Box 10010
Stamford, CT 06904
203-357-8800
CEO: David T Kimball
Electronics-equipment/Electrical equipment
Heavy equipment-industrial

Where to find The Forbes 500s

Genuine Parts
2999 Circle 75 Parkway
Atlanta, GA 30339
404-953-1700
CEO: Wilton Looney
Automotive-auto parts

Georgia Gulf
PO Box 105197
Atlanta, GA 30348
404-395-4500
CEO: James R Kuse
Chemicals-specialized

Georgia-Pacific
133 Peachtree Street NE
Atlanta, GA 30303
404-521-4000
CEO: T Marshall Hahn Jr
Building-lumber
Paper

Giant Food
PO Box 1804
Washington, DC 20013
301-341-4100
CEO: Israel Cohen
Food distributors-regional supermarkets

Gibraltar Financial
9111 Wilshire Boulevard
Beverly Hills, CA 90210-5555
213-278-8720
CEO: James Thayer
Banks-thrift institutions

Gillette
Prudential Tower Building
Boston, MA 02199
617-421-7000
CEO: Colman M Mockler Jr
Consumer-personal products

GlenFed
PO Box 1709
Glendale, CA 91209
818-500-2000
CEO: Norman M Coulson
Banks-thrift institutions

Golden Nugget
PO Box 610
Las Vegas, NV 89125
702-385-7111
CEO: Stephen A Wynn
Leisure-hotels & gaming

Golden West Financial
1901 Harrison Street
Oakland, CA 94612
415-446-6000
CEO: Herbert M Sandler
Banks-thrift institutions

Goldome
One Fountain Plaza
Buffalo, NY 14203-1499
716-847-5800
CEO: Ross B Kenzie
Banks-thrift institutions

BF Goodrich
3925 Embassy Parkway
Akron, OH 44313
216-374-2000
CEO: John D Ong
Chemicals-diversified
Automotive-tire & rubber

Goodyear Tire & Rubber
1144 East Market Street
Akron, OH 44316-0001
216-796-2121
CEO: Robert E Mercer
Automotive-tire & rubber

WR Grace
1114 Avenue of the Americas
New York, NY 10036-7794
212-819-5500
CEO: J Peter Grace
Chemicals-specialized

WW Grainger
5500 West Howard Street
Skokie, IL 60077
312-982-9000
CEO: David W Grainger
Electrical equipment

Great American First Savings
600 B Street
San Diego, CA 92183
619-231-1885
CEO: Gordon C Luce
Banks-thrift institutions

Great Atlantic & Pacific Tea
2 Paragon Drive
Montvale, NJ 07645
201-573-9700
CEO: James Wood
Food distributors-major supermarkets

Great Lakes Bancorp FSB
PO Box 8600
Ann Arbor, MI 48107-8600
313-769-8300
CEO: Roy E Weber
Banks-thrift institutions

Great Lakes Chemical
PO Box 2200
West Lafayette, IN 47906
317-497-6100
CEO: Emerson Kampen
Chemicals-specialized

Great Northern Nekoosa
PO Box 9309
Stamford, CT 06904
203-359-4000
CEO: William R Laidig
Paper

Great Western Financial
8484 Wilshire Boulevard
Beverly Hills, CA 90211
213-852-3411
CEO: James F Montgomery
Banks-thrift institutions

Greater New York Savings Bank
One Penn Plaza
New York, NY 10119
212-613-4000
CEO: Frank Wille
Banks-thrift institutions

Greyhound
Greyhound Tower
Phoenix, AZ 85077
602-248-4000
CEO: John W Teets
Consumer-household products
Automotive-autos & trucks

Grumman
1111 Stewart Avenue
Bethpage, NY 11714-3580
516-575-0574
CEO: John O'Brien
Aerospace & defense

GTE
One Stamford Forum
Stamford, CT 06904
203-965-2000
CEO: Theodore F Brophy
Telecommunications-carriers

Gulf & Western
One Gulf & Western Plaza
New York, NY 10023-7780
212-373-8000
CEO: Martin S Davis
Finance-services/Leisure-entertainment
Communications-publishing

Gulf States Utilities
PO Box 2951
Beaumont, TX 77704
409-838-6631
CEO: E Linn Draper Jr
Electric utilities-south central

Halliburton
500 North Akard Street
Dallas, TX 75201-3391
214-978-2600
CEO: Thomas H Cruikshank
Oilfield services
Building-commercial

Hanover Insurance Cos
100 North Parkway
Worcester, MA 01605
617-853-7200
CEO: William J O'Brien
Insurance-property & casualty

Harcourt Brace Jovanovich
Orlando, FL 32887
305-345-2000
CEO: William Jovanovich
Communications-publishing
Insurance-diversified

Harris Corp
1025 West Nasa Boulevard
Melbourne, FL 32919
407-727-9100
CEO: John T Hartley
Aerospace & defense
Electronics-computers

Where to find The Forbes 500s

HJ Heinz
PO Box 57
Pittsburgh, PA 15230-0057
412-456-5700
CEO: Anthony J F O'Reilly
Food processors-branded foods

Henley Group
11255 North Torrey Pines Road
La Jolla, CA 92037
619-455-9494
CEO: Michael D Dingman
Building-commercial/Health-medical supplies
Chemicals-diversified

Hercules
Hercules Plaza
Wilmington, DE 19894
302-594-5000
CEO: David S Hollingsworth
Chemicals-diversified
Aerospace & defense

Hershey Foods
PO Box 810
Hershey, PA 17033-0810
717-534-4000
CEO: Richard A Zimmerman
Food processors-branded foods

Hewlett-Packard
3000 Hanover Street
Palo Alto, CA 94304
415-857-1501
CEO: John A Young
Electronics-computers

Hibernia
PO Box 61540
New Orleans, LA 70161
504-586-5552
CEO: Martin C Miler
Banks-south central

Hillenbrand Industries
Highway 46
Batesville, IN 47006
812-934-7000
CEO: Daniel A Hillenbrand
Consumer-personal products
Health-medical supplies

Hills Department Stores
15 Dan Road
Canton, MA 02021
617-821-1000
CEO: Stephen A Goldberger
Retailing-discount & variety

Hilton Hotels
9336 Civic Center Drive
Beverly Hills, CA 90210
213-278-4321
CEO: Barron Hilton
Leisure-hotels & gaming

Himont
1313 North Market Street
Wilmington, DE 19894
302-594-5500
CEO: Alexander F Giacco
Chemicals-specialized

Holiday
1023 Cherry Road
Memphis, TN 38117
901-762-8600
CEO: Michael D Rose
Leisure-hotels & gaming

Holly Farms (formerly Federal Co)
PO Box 17236
Memphis, TN 38187-0236
901-761-3610
CEO: R Lee Taylor II
Food processors-meatpacking
Food processors-commodities

Home Depot
2727 Paces Ferry Road
Atlanta, GA 30339
404-433-8211
CEO: Bernard Marcus
Retailing-miscellaneous

Home Federal Savings & Loan
625 Broadway
San Diego, CA 92101
619-699-8000
CEO: Kim Fletcher
Banks-thrift institutions

Home Group
59 Maiden Lane
New York, NY 10038
212-530-6800
CEO: Marshall Manley
Insurance-property & casualty

Homestake Mining
650 California Street
San Francisco, CA 94108-2788
415-981-8150
CEO: Harry M Conger
Metals-nonferrous

Homestead Financial
1777 Murchison Drive
Burlingame, CA 94010
415-692-1432
CEO: Lawrence Weissberg
Banks-thrift institutions

Honeywell
PO Box 524
Minneapolis, MN 55440
612-870-5200
CEO: James J Renier
Aerospace & defense/Electronics-equipment
Services & related products-industrial

Horizon Bancorp
225 South Street
Morristown, NJ 07960
201-539-7700
CEO: William J Shepherd
Banks-Mid-Atlantic

Geo A Hormel
PO Box 800
Austin, MN 55912
507-437-5737
CEO: Richard L Knowlton
Food processors-meatpacking

Hospital Corp Of America
PO Box 550
Nashville, TN 37202-0550
615-327-9551
CEO: Thomas F Frist Jr
Health-services

Household International
2700 Sanders Road
Prospect Heights, IL 60070
312-564-5000
CEO: Donald C Clark
Finance-services

Houston Industries
PO Box 4567
Houston, TX 77210
713-629-3000
CEO: Don D Jordan
Electric utilities-south central

Howard Savings Bank
PO Box 1648
Newark, NJ 07101-1648
201-430-2000
CEO: Donald F McCormick
Banks-thrift institutions

Hubbell
PO Box 549
Orange, CT 06477-4024
203-799-4100
CEO: G J Ratcliffe Jr
Electrical equipment

Humana
PO Box 1438
Louisville, KY 40201-1438
502-580-1000
CEO: David A Jones
Health-services

Huntington Bancshares
41 South High Street
Columbus, OH 43287
614-476-8300
CEO: Frank Wobst
Banks-north central

IC Industries
111 East Wacker Drive
Chicago, IL 60601
312-565-3000
CEO: Karl D Bays
Conglomerates/Food processors-branded foods
Aerospace & defense

ICH
4211 Norbourne Boulevard
Louisville, KY 40207
502-897-1861
CEO: Robert T Shaw
Insurance-life & health

Illinois Power
500 South 27th Street
Decatur, IL 62525
217-424-6600
CEO: Wendell J Kelley
Electric utilities-north central
Natural gas-distributors

Where to find The Forbes 500s

Illinois Tool Works
8501 West Higgins Road
Chicago, IL 60631-2887
312-693-3040
CEO: John D Nichols
Heavy equipment-industrial

Imperial Corp of America
PO Box 23036
San Diego, CA 92123-0036
619-292-3900
CEO: Kenneth J Thygerson
Banks-thrift institutions

IMS International
800 Third Avenue
New York, NY 10022
212-371-2310
CEO: Robert Louis-Dreyfus
Communications-media services

Independence Bancorp
One Hillendale Road
Perkasie, PA 18944
215-257-2402
CEO: R Roy Hager
Banks-Mid-Atlantic

Indiana National
One Indiana Square
Indianapolis, IN 46266
317-266-6000
CEO: Thomas M Miller
Banks-north central

Ingersoll-Rand
200 Chestnut Ridge Road
Woodcliff Lake, NJ 07675
201-573-0123
CEO: Thomas A Holmes
Heavy equipment-industrial

Inland Steel Industries
30 West Monroe Street
Chicago, IL 60603
312-346-0300
CEO: Frank W Luerssen
Metals-steel

Integrated Resources
666 Third Avenue
New York, NY 10017
212-551-6000
CEO: Selig A Zises
Insurance-life & health
Finance-services

Intel
3065 Bowers Avenue
Santa Clara, CA 95051-8126
408-765-8080
CEO: Andrew S Grove
Electronics-semiconductors

Interco
101 South Hanley Road
St Louis, MO 63105
314-863-1100
CEO: Harvey Saligman
Clothing-apparel manufacturer
Retailing-shoes/Consumer-home furnishings

Intergraph
One Madison Industrial Park
Huntsville, AL 35807-4201
205-772-2000
CEO: James W Meadlock
Electronics-computers

International Business Machines
Old Orchard Road
Armonk, NY 10504
914-765-1900
CEO: John F Akers
Electronics-computers

International Flavors & Fragrances
521 West 57th Street
New York, NY 10019
212-765-5500
CEO: Eugene P Grisanti
Chemicals-specialized

International Minerals & Chemical
2315 Sanders Road
Northbrook, IL 60062
312-564-8600
CEO: George D Kennedy
Chemicals-specialized

International Multifoods
Box 2942
Minneapolis, MN 55402
612-340-3300
CEO: Andre Gillet
Food processors-commodities
Food distributors-wholesalers

International Paper
Two Manhattanville Road
Purchase, NY 10577
914-397-1500
CEO: John A Georges
Packaging
Paper

Ipalco Enterprises
PO Box 1595B
Indianapolis, IN 46206
317-261-8261
CEO: Zane G Todd
Electric utilities-north central

Irving Bank
One Wall Street
New York, NY 10005
212-635-1111
CEO: Joseph A Rice
Banks-multinational

ITT
320 Park Avenue
New York, NY 10022
212-752-6000
CEO: Rand V Araskog
Conglomerates
Insurance-diversified

James River Corp Of Virginia
PO Box 2218
Richmond, VA 23217
804-644-5411
CEO: Brenton S Halsey
Paper
Packaging

Jefferson-Pilot
PO Box 21008
Greensboro, NC 27420
919-378-2011
CEO: W Roger Soles
Insurance-life & health

Jefferson Smurfit
8182 Maryland Avenue
St Louis, MO 63105
314-746-1100
CEO: Michael W J Smurfit
Packaging
Paper

Johnson & Johnson
One Johnson & Johnson Plaza
New Brunswick, NJ 08933
201-524-0400
CEO: James E Burke
Consumer-personal products
Health-medical supplies/Health-drugs

Johnson Controls
PO Box 591
Milwaukee, WI 53201
414-228-1200
CEO: James H Keyes
Automotive-auto parts
Services & related products-industrial

Jostens
5501 Norman Center Drive
Minneapolis, MN 55437
612-830-3300
CEO: H William Lurton
Retailing-jewelry
Communications-publishing

K mart
3100 West Big Beaver Road
Troy, MI 48084
313-643-1000
CEO: Joseph E Antonini
Retailing-discount & variety

KaiserTech
(formerly Kaiser Aluminum & Chemicals)
300 Lakeside Drive
Oakland, CA 94643-0001
415-271-3300
CEO: James S Pasman Jr
Metals-nonferrous

Kansas City Power & Light
1330 Baltimore Avenue
Kansas City, MO 64105
816-556-2200
CEO: Arthur J Doyle
Electric utilities-north central

Kansas Gas & Electric
PO Box 208
Wichita, KS 67201
316-261-6611
CEO: Wilson K Cadman
Electric utilities-north central

Kansas Power & Light
PO Box 889
Topeka, KS 66601
913-296-6300
CEO: David S Black
Natural gas-distributors
Electric utilities-north central

Where to find The Forbes 500s

Kaufman & Broad
11601 Wilshire Boulevard
Los Angeles, CA 90025-1748
213-312-5000
CEO: Eli Broad
Insurance-life & health
Building-residential

Kellogg
PO Box 3599
Battle Creek, MI 49016-3599
616-961-2000
CEO: William E LaMothe
Food processors-branded foods

Kelly Services
999 West Big Beaver Road
Troy, MI 48084
313-362-4444
CEO: Terence E Adderley
Services & related products-office

Kemper
Kemper Center
Long Grove, IL 60049-0001
312-540-2000
CEO: Joseph E Luecke
Insurance-diversified

Kentucky Utilities
One Quality Street
Lexington, KY 40507
606-255-1461
CEO: John T Newton
Electric utilities-southeast

Kerr-McGee
PO Box 25861
Oklahoma City, OK 73125
405-270-1313
CEO: Frank A McPherson
Oil & gas-domestic

KeyCorp
PO Box 88
Albany, NY 12201-0088
518-486-8000
CEO: Victor J Riley Jr
Banks-northeast

Kimberly-Clark
PO Box 619100
Dallas, TX 75261-9100
214-830-1200
CEO: Darwin E Smith
Consumer-personal products
Paper

Knight-Ridder
One Herald Plaza
Miami, FL 33132-1693
305-376-3800
CEO: Alvah H Chapman Jr
Communications-publishing

Koppers
Koppers Building
Pittsburgh, PA 15219
412-227-2000
CEO: Charles R Pullin
Building-miscellaneous materials
Chemicals-specialized

Kraft
Kraft Court
Glenview, IL 60025
312-998-2000
CEO: John M Richman
Food processors-branded foods

Kroger
1014 Vine Street
Cincinnati, OH 45202-1119
513-762-4000
CEO: Lyle Everingham
Food distributors-major supermarkets

Lafarge
PO Box 4600
Reston, VA 22090
703-264-3600
CEO: Bertrand Collomb
Building-cement & gypsum

Eli Lilly
Lilly Corporate Center
Indianapolis, IN 46285
317-276-2000
CEO: Richard D Wood
Health-drugs

Limited
PO Box 16000
Columbus, OH 43216
614-475-4000
CEO: Leslie H Wexner
Retailing-apparel

LIN Broadcasting
1370 Avenue of the Americas
New York, NY 10019
212-765-1902
CEO: Donald A Pels
Communications-broadcasting

Lincoln National
PO Box 1110
Fort Wayne, IN 46801
219-427-2000
CEO: Ian M Rolland
Insurance-diversified

Litton Industries
360 North Crescent Drive
Beverly Hills, CA 90210-4867
213-859-5000
CEO: Orion L Hoch
Aerospace & defense

Liz Claiborne
1441 Broadway
New York, NY 10018
212-354-4900
CEO: Elisabeth C Ortenberg
Clothing-apparel manufacturer

Lockheed
4500 Park Granada Boulevard
Calabasas, CA 91399-0610
818-712-2000
CEO: Lawrence O Kitchen
Aerospace & defense

Loews
667 Madison Avenue
New York, NY 10021
212-545-2000
CEO: Laurence A Tisch
Insurance-diversified
Beverages & tobacco-tobacco

Lomas & Nettleton Financial
PO Box 655644
Dallas, TX 75265-5644
214-746-7111
CEO: Jess T Hay
Finance-services

Long Island Lighting
175 East Old Country Road
Hicksville, NY 11801
516-933-4590
CEO: William J Catacosinos
Electric utilities-northeast

Longs Drug Stores
PO Box 5222
Walnut Creek, CA 94596
415-937-1170
CEO: Robert M Long
Retailing-drugs

Longview Fibre
Box 639
Longview, WA 98632
206-425-1550
CEO: Richard P Wollenberg
Packaging
Paper

Loral
600 Third Avenue
New York, NY 10016
212-697-1105
CEO: Bernard L Schwartz
Aerospace & defense

Lotus Development
55 Cambridge Parkway
Cambridge, MA 02142
617-577-8500
CEO: Jim P Manzi
Services & related products-office

Louisiana Land & Exploration
PO Box 60350
New Orleans, LA 70160
504-566-6500
CEO: Ernest L Williamson
Oil & gas-domestic

Louisiana-Pacific
111 Southwest Fifth Avenue
Portland, OR 97204
503-221-0800
CEO: Harry A Merlo
Building-lumber

Louisville Gas & Electric
PO Box 32010
Louisville, KY 40232
502-566-4011
CEO: Robert L Royer
Electric utilities-southeast
Natural gas-distributors

Where to find The Forbes 500s

Lowe's Cos
Box 1111
No Wilkesboro, NC 28656-0001
919-651-4000
CEO: Leonard G Herring
Retailing-miscellaneous

LTV
PO Box 65-5003
Dallas, TX 75265-5003
214-979-7711
CEO: Raymond A Hay
Metals-steel
Aerospace & defense

Lubrizol
29400 Lakeland Boulevard
Wickliffe, OH 44092-2298
216-943-4200
CEO: Lester E Coleman
Chemicals-specialized

Lucky Stores
PO Box BB
Dublin, CA 94568
415-833-6000
CEO: John M Lillie
Food distributors-major supermarkets

Mack Trucks
PO Box M
Allentown, PA 18105-5000
215-439-3911
CEO: John B Curcio
Automotive-autos & trucks

Macmillan
866 Third Avenue
New York, NY 10022
212-702-2000
CEO: Edward P Evans
Communications-publishing

Manufacturers Hanover
270 Park Avenue
New York, NY 10017
212-286-6000
CEO: John F McGillicuddy
Banks-multinational

Manufacturers National
Renaissance Center
Detroit, MI 48243
313-222-4000
CEO: Dean E Richardson
Banks-north central

Manville
PO Box 5108
Denver, CO 80217
303-978-2000
CEO: W Thomas Stephens
Building-miscellaneous materials

Mapco
PO Box 645
Tulsa, OK 74101-0645
918-581-1800
CEO: James E Barnes
Oil & gas-domestic

Marion Laboratories
PO Box 8480
Kansas City, MO 64114
816-966-4000
CEO: Fred W Lyons Jr
Health-drugs

Marriott
One Marriott Drive
Washington, DC 20058
301-380-9000
CEO: J Willard Marriott Jr
Leisure-hotels & gaming
Food distributors-wholesalers

Marsh & McLennan Cos
1221 Avenue of the Americas
New York, NY 10020
212-997-2000
CEO: Frank J Tasco
Insurance-brokers

Marshall & Ilsley
770 North Water Street
Milwaukee, WI 53202
414-765-7801
CEO: John A Puelicher
Banks-north central

Martin Marietta
6801 Rockledge Drive
Bethesda, MD 20817
301-897-6000
CEO: Norman R Augustine
Aerospace & defense

Masco
21001 Van Born Road
Taylor, MI 48180
313-274-7400
CEO: Richard A Manoogian
Building-miscellaneous materials

Masco Industries
21001 Van Born Road
Taylor, MI 48180
313-274-7405
CEO: Richard A Manoogian
Automotive-auto parts
Heavy equipment-industrial

Maxicare Health Plans
5200 West Century Boulevard
Los Angeles, CA 90045
213-568-9000
CEO: Fred W Wasserman
Health-services

May Department Stores
611 Olive Street
St Louis, MO 63101
314-342-6300
CEO: David C Farrell
Retailing-department stores
Retailing-discount & variety

Maytag
403 West Fourth Street North
Newton, IA 50208
515-792-8000
CEO: Daniel J Krumm
Consumer-appliances

MBIA
PO Box 788
White Plains, NY 10602
914-681-1300
CEO: William O Bailey
Finance-services

MCA
100 Universal City Plaza
Universal City, CA 91608
818-777-1000
CEO: Lew R Wasserman
Leisure-entertainment

McCaw Cellular Communications
5808 Lake Washington Boulevard NE
Kirkland, WA 98033-7397
206-827-4500
CEO: Craig O McCaw
Telecommunications-carriers

McDonald's
McDonald's Plaza
Oak Brook, IL 60521
312-575-3000
CEO: Michael R Quinlan
Restaurant chains

McDonnell Douglas
PO Box 516
St Louis, MO 63166-0516
314-232-0232
CEO: John F McDonnell
Aerospace & defense

McGraw-Hill
1221 Avenue of the Americas
New York, NY 10020
212-512-2000
CEO: Joseph L Dionne
Communications-publishing

MCI Communications
1133 19th Street NW
Washington, DC 20036
202-872-1600
CEO: William G McGowan
Telecommunications-carriers

McKesson
One Post Street
San Francisco, CA 94104
415-983-8300
CEO: Thomas W Field Jr
Health-drugs

MCorp
PO Box 655415
Dallas, TX 75265-5415
214-290-5000
CEO: Gene H Bishop
Banks-south central

Mead
Courthouse Plaza Northeast
Dayton, OH 45463
513-222-6323
CEO: Burnell R Roberts
Paper
Packaging

Where to find The Forbes 500s

Media General
PO Box C-32333
Richmond, VA 23293
804-649-6000
CEO: James S Evans
Communications-publishing
Paper/Communications-broadcasting

Medtronic
7000 Central Avenue NE
Minneapolis, MN 55432-3576
612-574-4000
CEO: Winston R Wallin
Health-medical supplies

Mellon Bank
Mellon Bank Center
Pittsburgh, PA 15258
412-234-5000
CEO: Frank V Cahouet
Banks-Mid-Atlantic

Melville
3000 Westchester Avenue
Harrison, NY 10528
914-253-8000
CEO: Stanley P Goldstein
Retailing-apparel
Retailing-shoes

Mercantile Bancorporation
PO Box 524
St Louis, MO 63166
314-425-2525
CEO: Donald E Lasater
Banks-north central

Mercantile Bankshares
PO Box 1477
Baltimore, MD 21203
301-237-5900
CEO: H Furlong Baldwin
Banks-Mid-Atlantic

Mercantile Stores
128 West 31st Street
New York, NY 10001
212-560-0500
CEO: Leon F Winbigler
Retailing-department stores

Merchants National
One Merchants Plaza
Indianapolis, IN 46255
317-267-7000
CEO: Otto N Frenzel III
Banks-north central

Merck
PO Box 2000
Rahway, NJ 07065-0900
201-574-4000
CEO: P Roy Vagelos
Health-drugs

Meridian Bancorp
PO Box 1102
Reading, PA 19603
215-320-2000
CEO: Samuel A McCullough
Banks-Mid-Atlantic

Meritor Financial Group
12 South 12th Street
Philadelphia, PA 19107-4076
215-636-6000
CEO: Frederick S Hammer
Banks-thrift institutions

Merrill Lynch
World Financial Center
New York, NY 10281-1220
212-637-7455
CEO: William A Schreyer
Finance-brokerage houses

Fred Meyer
PO Box 42121
Portland, OR 97242
503-232-8844
CEO: Oran B Robertson
Retailing-discount & variety
Food distributors-regional supermarkets

Michigan National
30665 Northwestern Highway
Farmington Hills, MI 48333-9065
313-626-8200
CEO: Robert J Mylod
Banks-north central

Microsoft
Box 97017
Redmond, WA 98073-9717
206-882-8080
CEO: William H Gates III
Services & related products-office

Middle South Utilities
PO Box 61005
New Orleans, LA 70161
504-529-5262
CEO: Edwin Lupberger
Electric utilities-south central

Midlantic
PO Box 600
Edison, NJ 08818
201-321-8000
CEO: Robert Van Buren
Banks-Mid-Atlantic

Millipore
80 Ashby Road
Bedford, MA 01730
617-275-9200
CEO: John A Gilmartin
Health-medical supplies

Minnesota Mining & Manufacturing
3M Center
St Paul, MN 55144-1000
612-733-1110
CEO: Allen F Jacobson
Conglomerates

Minnesota Power
30 West Superior Street
Duluth, MN 55802
218-722-2641
CEO: Jack F Rowe
Electric utilities-north central

MNC Financial
10 Light Street
Baltimore, MD 21202
301-244-5000
CEO: Alan P Hoblitzell Jr
Banks-Mid-Atlantic

Mobil
150 East 42nd Street
New York, NY 10017-5666
212-883-4242
CEO: Allen E Murray
Oil-international
Retailing-department stores

Molex
2222 Wellington Court
Lisle, IL 60532-1682
312-969-4550
CEO: John H Krehbiel Jr
Electronics-equipment

Monarch Capital
One Monarch Place
Springfield, MA 01144
413-781-3000
CEO: Gordon N Oakes Jr
Insurance-life & health

Monsanto
800 North Lindbergh Boulevard
St Louis, MO 63167
314-694-1000
CEO: Richard J Mahoney
Chemicals-diversified

Moore Financial Group
PO Box 8247
Boise, ID 83733
208-383-7000
CEO: Daniel R Nelson
Banks-western

JP Morgan & Co
23 Wall Street
New York, NY 10015
212-483-2323
CEO: Lewis T Preston
Banks-multinational

Morgan Stanley Group
1251 Avenue of the Americas
New York, NY 10020
212-703-4000
CEO: S Parker Gilbert
Finance-brokerage houses

Morrison-Knudsen
PO Box 73
Boise, ID 83707
208-386-8000
CEO: William J Deasy
Building-commercial

Morton Thiokol
110 North Wacker Drive
Chicago, IL 60606-1560
312-807-2000
CEO: Charles S Locke
Chemicals-specialized
Aerospace & defense

Where to find The Forbes 500s

Motorola
1303 East Algonquin Road
Schaumburg, IL 60196
312-397-5000
CEO: George Fisher
Telecommunications-manufacturing
Electronics-semiconductors

Murphy Oil
200 Peach Street
El Dorado, AR 71730
501-862-6411
CEO: Jack W McNutt
Oil & gas-domestic

Nalco Chemical
One Nalco Center
Naperville, IL 60566-1024
312-961-9500
CEO: Worley H Clark Jr
Chemicals-specialized

Nash Finch
3381 Gorham Avenue
St Louis Park, MN 55426
612-929-0371
CEO: Harold B Finch Jr
Food distributors-wholesalers
Food distributors-regional supermarkets

National Bancshares Corp of Texas
PO Box 121
San Antonio, TX 78291
512-225-2511
CEO: Richard W Calvert
Banks-south central

National City
1900 East Ninth Street
Cleveland, OH 44114-3484
216-575-2000
CEO: Edward B Brandon
Banks-north central

National Community Bank
24 Park Avenue
Rutherford, NJ 07070
201-845-1000
CEO: Robert M Kossick
Banks-Mid-Atlantic

National Intergroup
20 Stanwix Street
Pittsburgh, PA 15222
412-394-4100
CEO: Howard M Love
Health-drugs

National Medical Enterprises
11620 Wilshire Boulevard
Los Angeles, CA 90025
213-479-5526
CEO: Richard K Eamer
Health-services

National Semiconductor
PO Box 58090
Santa Clara, CA 95052-8090
408-721-5000
CEO: Charles E Sporck
Electronics-semiconductors
Electronics-equipment

National Service Industries
1180 Peachtree Street NE
Atlanta, GA 30309
404-892-2400
CEO: Sidney Kirschner
Electrical equipment
Services & related products-industrial

Navistar International
401 North Michigan Avenue
Chicago, IL 60611
312-836-2000
CEO: James C Cotting
Automotive-autos & trucks

NBD Bancorp
611 Woodward Avenue
Detroit, MI 48226
313-225-1000
CEO: Charles T Fisher III
Banks-north central

NCNB
One NCNB Plaza
Charlotte, NC 28255
704-374-5000
CEO: Hugh L McColl Jr
Banks-southeast

NCR
1700 South Patterson Boulevard
Dayton, OH 45479
513-445-5000
CEO: Charles E Exley Jr
Electronics-computers

New England Electric System
25 Research Drive
Westborough, MA 01582
617-366-9011
CEO: Samuel Huntington
Electric utilities-northeast

New York State Electric & Gas
PO Box 287
Ithaca, NY 14851
607-729-2551
CEO: Wells P Allen Jr
Electric utilities-northeast

New York Times
229 West 43rd Street
New York, NY 10036
212-556-1234
CEO: Arthur Ochs Sulzberger
Communications-publishing

Newmont Mining
200 Park Avenue
New York, NY 10166
212-953-6900
CEO: Gordon R Parker
Metals-nonferrous

Niagara Mohawk Power
300 Erie Boulevard West
Syracuse, NY 13202
315-474-1511
CEO: John G Haehl Jr
Electric utilities-northeast
Natural gas-distributors

Nicor
PO Box 200
Naperville, IL 60566-0200
312-242-4470
CEO: Richard G Cline
Natural gas-distributors

Nipsco Industries (formerly No Indiana Public Svc)
5265 Hohman Avenue
Hammond, IN 46320
219-853-5200
CEO: Edmund A Schroer
Electric utilities-north central
Natural gas-distributors

Nordstrom
1501 Fifth Avenue
Seattle, WA 98101
206-628-2111
CEO: Bruce A Nordstrom
Retailing-apparel

Norfolk Southern
One Commercial Place
Norfolk, VA 23510-2191
804-629-2600
CEO: Arnold B McKinnon
Surface transportation-railroads

Northeast Bancorp
PO Box 700
Stamford, CT 06904-0700
203-348-6211
CEO: Frank J Kugler Jr
Banks-northeast

Northeast Savings FA
50 State Street
Hartford, CT 06103
203-280-1000
CEO: Kent Dixon
Banks-thrift institutions

Northeast Utilities
PO Box 270
Hartford, CT 06141-0270
203-665-5000
CEO: William B Ellis
Electric utilities-northeast

Northern States Power
414 Nicollet Mall
Minneapolis, MN 55401
612-330-5500
CEO: James J Howard
Electric utilities-north central
Natural gas-distributors

Northern Trust
50 South LaSalle Street
Chicago, IL 60675
312-630-6000
CEO: Weston R Christopherson
Banks-north central

Northrop
1840 Century Park East
Los Angeles, CA 90067-2199
213-553-6262
CEO: Thomas V Jones
Aerospace & defense

Where to find The Forbes 500s

Northwestern National Life Insurance Co
20 Washington Avenue South
Minneapolis, MN 55401
612-372-5432
CEO: John E Pearson
Insurance-life & health

Norton
120 Front Street
Worcester, MA 01608-1446
617-795-5000
CEO: John M Nelson
Heavy equipment-industrial

Norwest
1200 Peavey Building
Minneapolis, MN 55479
612-372-8268
CEO: Lloyd P Johnson
Banks-north central

Noxell
11050 York Road
Hunt Valley, MD 21030-2098
301-785-7300
CEO: George L Bunting Jr
Consumer-personal products

Nucor
4425 Randolph Road
Charlotte, NC 28211
704-366-7000
CEO: F Kenneth Iverson
Metals-steel

NWA
Minneapolis/St Paul Airport
St Paul, MN 55111
612-726-2111
CEO: Steven G Rothmeier
Air transport-passenger

Nynex
335 Madison Avenue
New York, NY 10017
212-370-7400
CEO: Delbert C Staley
Telecommunications-carriers

Occidental Petroleum
10889 Wilshire Boulevard
Los Angeles, CA 90024
213-879-1700
CEO: Armand Hammer
Oil-international
Natural gas-producers & pipeliners

Ogden
Two Pennsylvania Plaza
New York, NY 10121
212-868-6100
CEO: Ralph E Ablon
Services & related products-industrial

Ohio Casualty
136 North Third Street
Hamilton, OH 45025
513-867-3000
CEO: John G Sloneker
Insurance-property & casualty

Ohio Edison
76 South Main Street
Akron, OH 44308
216-384-5100
CEO: Justin T Rogers Jr
Electric utilities-north central

Oklahoma Gas & Electric
PO Box 321
Oklahoma City, OK 73101
405-272-3000
CEO: James G Harlow Jr
Electric utilities-south central

Old Kent Financial
One Vandenberg Center
Grand Rapids, MI 49503
616-774-5000
CEO: John C Canepa
Banks-north central

Old Republic International
307 North Michigan Avenue
Chicago, IL 60601
312-346-8100
CEO: William R Stover
Insurance-diversified

Old Stone
180 South Main Street
Providence, RI 02903
401-278-2000
CEO: Theodore W Barnes
Banks-northeast

Olin
PO Box 1355
Stamford, CT 06904-1355
203-356-2000
CEO: John W Johnstone Jr
Chemicals-diversified

Oracle Systems
20 Davis Drive
Belmont, CA 94002
415-598-8000
CEO: Lawrence J Ellison
Services & related products-office

Outboard Marine
100 Sea-Horse Drive
Waukegan, IL 60085
312-689-6200
CEO: Charles D Strang
Leisure-recreation

Owens-Corning Fiberglas
Fiberglas Tower
Toledo, OH 43659
419-248-8000
CEO: William W Boeschenstein
Building-miscellaneous materials

Paccar
PO Box 1518
Bellevue, WA 98009
206-455-7400
CEO: Charles M Pigott
Automotive-autos & trucks

Pacific Enterprises
801 South Grand Avenue
Los Angeles, CA 90017
213-895-5000
CEO: Paul A Miller
Natural gas-integrated
Retailing-drugs

Pacific First Financial
PO Box 1257
Tacoma, WA 98401
206-383-7605
CEO: Jerry E Pohlman
Banks-thrift institutions

Pacific Gas & Electric (formerly Pacific Lighting)
77 Beale Street
San Francisco, CA 94106
415-781-4211
CEO: Richard A Clarke
Electric utilities-western
Natural gas-distributors

Pacific Telesis Group
130 Kearny Street
San Francisco, CA 94108
415-394-3000
CEO: Donald E Guinn
Telecommunications-carriers

PacifiCorp
851 SW Sixth Avenue
Portland, OR 97204
503-464-6000
CEO: Don C Frisbee
Electric utilities-western
Coal/Telecommunications-carriers

PaineWebber Group
1285 Avenue of the Americas
New York, NY 10019
212-713-2000
CEO: Donald B Marron
Finance-brokerage houses

Pall
30 Sea Cliff Avenue
Glen Cove, NY 11542
516-671-4000
CEO: Abraham Krasnoff
Heavy equipment-industrial
Aerospace & defense

Pan Am
200 Park Avenue
New York, NY 10166
212-880-1234
CEO: Thomas G Plaskett
Air transport-passenger

Panhandle Eastern
PO Box 1642
Houston, TX 77251-1642
713-664-3401
CEO: Robert D Hunsucker
Natural gas-producers & pipeliners

Parker-Hannifin
17325 Euclid Avenue
Cleveland, OH 44112-1290
216-531-3000
CEO: Paul G Schloemer
Heavy equipment-industrial
Aerospace & defense

Where to find The Forbes 500s

Payless Cashways
PO Box 419466
Kansas City, MO 64141-0466
816-234-6000
CEO: David Stanley
Retailing-miscellaneous

Penn Central
One East Fourth Street
Cincinnati, OH 45202
513-579-6600
CEO: Carl H Lindner
Conglomerates
Telecommunications-manufacturing

Pennbancorp
Pennbank Center
Titusville, PA 16354
814-827-2751
CEO: William F Roemer
Banks-Mid-Atlantic

JC Penney
PO Box 659000
Dallas, TX 75265
214-591-1924
CEO: William R Howell
Retailing-department stores

Pennsylvania Power & Light
Two North Ninth Street
Allentown, PA 18101-1179
215-770-5151
CEO: Robert K Campbell
Electric utilities-northeast

Pennzoil
PO Box 2967
Houston, TX 77252-8200
713-546-4000
CEO: J Hugh Liedtke
Oil & gas-domestic

PepsiCo
700 Anderson Hill Road
Purchase, NY 10577
914-253-2000
CEO: D Wayne Calloway
Beverages & tobacco-soft drinks/Food processors-branded foods/Restaurant chains

Perkin-Elmer
761 Main Avenue
Norwalk, CT 06859-0001
203-762-1000
CEO: Horrace G McDonell Jr
Electronics-equipment
Aerospace & defense

Perpetual Savings Bank FSB
2034 Eisenhower Avenue
Alexandria, VA 22314
7[illegible]-838-6000
CEO: Thomas J Owen
Banks-thrift institutions

Pfizer
235 East 42nd Street
New York, NY 10017
212-573-2323
CEO: Edmund T Pratt Jr
Health-drugs

Phelps Dodge
2600 North Central Avenue
Phoenix, AZ 85004-3014
602-234-8100
CEO: G Robert Durham
Metals-nonferrous

PHH Group
11333 McCormick Road
Hunt Valley, MD 21031
301-771-1900
CEO: Jerome W Geckle
Services & related products-office

Philadelphia Electric
PO Box 8699
Philadelphia, PA 19101
215-841-4000
CEO: Joseph F Paquette Jr
Electric utilities-northeast

Philip Morris Cos
120 Park Avenue
New York, NY 10017
212-880-5000
CEO: Hamish Maxwell
Beverages & tobacco-tobacco
Food processors-branded foods

Phillips Petroleum
Phillips Building
Bartlesville, OK 74004
918-661-6600
CEO: C J Silas
Oil-international

Pillsbury
200 South Sixth Street
Minneapolis, MN 55402
612-330-4966
CEO: William H Spoor
Food processors-branded foods
Restaurant chains

Pinnacle West Capital (formerly AZP Group)
PO Box 52132
Phoenix, AZ 85072-2132
602-2[illegible]4-1142
CEO: Keith L Turley
Electric utilities-western
Banks-thrift institutions

Pioneer Hi-Bred International
400 Locust Street
Des Moines, IA 50309
515-245-3500
CEO: Thomas N Urban
Food processors-commodities

Pitney Bowes
Walter H Wheeler Jr Drive
Stamford, CT 06926-0700
203-356-5000
CEO: George B Harvey
Electronics-equipment

PNC Financial
Pittsburgh, PA 15265
412-762-2000
CEO: Thomas H O'Brien
Banks-Mid-Atlantic

Polaroid
549 Technology Square
Cambridge, MA 02139
617-577-2000
CEO: I MacAllister Booth
Leisure-photography

Portland General
121 Southwest Salmon Street
Portland, OR 97204
503-224-0302
CEO: Robert H Short
Electric utilities-western

Potlatch
PO Box 3591
San Francisco, CA 94119
415-947-5500
CEO: Richard B Madden
Paper
Building-lumber

Potomac Electric Power
1900 Pennsylvania Avenue NW
Washington, DC 20068
202-872-2000
CEO: W Reid Thompson
Electric utilities-northeast

PPG Industries
One PPG Place
Pittsburgh, PA 15272
412-434-3131
CEO: Vincent A Sarni
Automotive-auto parts
Building-miscellaneous materials

Premark International
1717 Deerfield Road
Deerfield, IL 60015
312-405-6000
CEO: Warren L Batts
Consumer-home furnishings

Premier Bancorp
PO Box 1511
Baton Rouge, LA 70821
504-389-4206
CEO: Charles W McCoy
Banks-south central

Premier Industrial
4500 Euclid Avenue
Cleveland, OH 44103
216-391-8300
CEO: Morton L Mandel
Electronics-equipment

Price Co
PO Box 85466
San Diego, CA 92138
619-581-4600
CEO: Robert E Price
Retailing-miscellaneous

Prime Computer
Prime Park
Natick, MA 01760
617-655-8000
CEO: Joe M Henson
Electronics-computers

Where to find The Forbes 500s

Prime Motor Inns
PO Box 2700
Fairfield, NJ 07007-2700
201-882-1010
CEO: Peter E Simon
Leisure-hotels & gaming

Primerica (formerly American Can)
PO Box 3610
Greenwich, CT 06836-3610
203-552-2000
CEO: Gerald Tsai Jr
Insurance-life & health
Retailing-miscellaneous

Procter & Gamble
One Procter & Gamble Plaza
Cincinnati, OH 45202
513-983-1100
CEO: John G Smale
Consumer-personal products
Consumer-household products

Progressive
PO Box 5070
Cleveland, OH 44101
216-464-8000
CEO: Peter B Lewis
Insurance-property & casualty

Provident Life & Accident
One Fountain Square
Chattanooga, TN 37402
615-755-1011
CEO: H Carey Hanlin
Insurance-life & health

Public Service Co of Colorado
PO Box 840
Denver, CO 80201-0840
303-571-7511
CEO: Richard F Walker
Electric utilities-western
Natural gas-distributors

Public Service Co of Indiana
1000 East Main Street
Plainfield, IN 46168
317-839-9611
CEO: Hugh A Barker
Electric utilities-north central

Public Service Co of New Hampshire
PO Box 330
Manchester, NH 03105
603-669-4000
CEO: Robert J Harrison
Electric utilities-northeast

Public Service Co of New Mexico
Alvarado Square
Albuquerque, NM 87158
505-848-2700
CEO: Jerry D Geist
Electric utilities-western
Natural gas-distributors

Public Service Enterprise Group
PO Box 1171
Newark, NJ 07101-1171
201-430-7000
CEO: E James Ferland
Electric utilities-northeast
Natural gas-distributors

Puget Sound Bancorp
PO Box 11500
Tacoma, WA 98411-5050
206-593-3600
CEO: William W Philip
Banks-western

Puget Sound Power & Light
Puget Power Building
Bellevue, WA 98009
206-454-6363
CEO: John W Ellis
Electric utilities-western

Quaker Oats
PO Box 9001
Chicago, IL 60604-9001
312-222-7111
CEO: William D Smithburg
Food processors-branded foods

Quantum Chemical (formerly National Distillers)
99 Park Avenue
New York, NY 10016
212-949-5000
CEO: John Hoyt Stookey
Chemicals-diversified
Oil & gas-domestic

Ralston Purina
Checkerboard Square
St Louis, MO 63164
314-982-1000
CEO: William P Stiritz
Food processors-branded foods
Food processors-commodities

Raychem
300 Constitution Drive
Menlo Park, CA 94025-1164
415-361-3333
CEO: Paul M Cook
Electrical equipment

Raytheon
141 Spring Street
Lexington, MA 02173
617-862-6600
CEO: Thomas L Phillips
Conglomerates
Aerospace & defense

Reebok International
150 Royall Street
Canton, MA 02021
617-821-2800
CEO: Paul Fireman
Clothing-shoe manufacturer

Reliance Group Holdings
55 East 52nd Street
New York, NY 10055
212-909-1100
CEO: Saul P Steinberg
Insurance-diversified

Republic New York
452 Fifth Avenue
New York, NY 10018
212-930-6000
CEO: Walter H Weiner
Banks-northeast

Reynolds Metals
PO Box 27003
Richmond, VA 23261
804-281-2000
CEO: William O Bourke
Metals-nonferrous

Riggs National
1503 Pennsylvania Avenue NW
Washington, DC 20005
202-835-6000
CEO: Joe L Allbritton
Banks-Mid-Atlantic

Rite Aid
PO Box 3165
Harrisburg, PA 17105
717-761-2633
CEO: Alex Grass
Retailing-drug

RJR Nabisco
300 Galleria Parkway
Atlanta, GA 30339
404-852-3000
CEO: F Ross Johnson
Food processors-branded foods
Beverages & tobacco-tobacco

Roadway Services
PO Box 88
Akron, OH 44309-0088
216-384-8184
CEO: Joseph M Clapp
Surface transportation-trucking & leasing

Rochester Community Savings Bank
40 Franklin Street
Rochester, NY 14604
716-262-5800
CEO: Leonard S Simon
Banks-thrift institutions

Rockwell International
600 Grant Street
Pittsburgh, PA 15219
412-565-2000
CEO: Donald R Beall
Aerospace & defense

Rohm & Haas
Independence Mall West
Philadelphia, PA 19105
215-592-3000
CEO: Vincent L Gregory Jr
Chemicals-diversified

Rollins Environmental Services
PO Box 2349
Wilmington, DE 19899
302-479-2757
CEO: Darrell M Trent
Services & related products-industrial

LF Rothschild Holdings
55 Water Street
New York, NY 10041
212-238-2000
CEO: Robert Schoenthal
Finance-brokerage houses

Where to find The Forbes 500s

Rouse
10275 Little Patuxent Parkway
Columbia, MD 21044
301-992-6000
CEO: Mathias J DeVito
Building-commercial

Rubbermaid
1147 Akron Road
Wooster, OH 44691
216-264-6464
CEO: Stanley C Gault
Consumer-home furnishings

Ryder System
3600 Northwest 82nd Avenue
Miami, FL 33166
305-593-3726
CEO: M Anthony Burns
Surface transportation-trucking & leasing

Safeco
Safeco Plaza
Seattle, WA 98185
206-545-5000
CEO: Bruce Maines
Insurance-diversified

Safety-Kleen
777 Big Timber Road
Elgin, IL 60123
312-697-8460
CEO: Donald W Brinckman
Services & related products-industrial

St Paul Cos
385 Washington Street
St Paul, MN 55102
612-221-7911
CEO: Robert J Haugh
Insurance-property & casualty

St Paul Bancorp
6700 West North Avenue
Chicago, IL 60635
312-622-5000
CEO: Joseph C Scully
Banks-thrift institutions

Salomon
1221 Avenue of the Americas
New York, NY 10020
212-764-3700
CEO: John H Gutfreund
Finance-brokerage houses

San Diego Gas & Electric
PO Box 1831
San Diego, CA 92112
619-696-2000
CEO: Thomas A Page
Electric utilities-western

San Francisco Federal Savings & Loan
88 Kearny Street
San Francisco, CA 94108
415-955-5800
CEO: Patrick H Price
Banks-thrift institutions

Santa Fe Southern Pacific
224 South Michigan Avenue
Chicago, IL 60604-2401
312-786-6000
CEO: Robert D Krebs
Surface transportation-railroads

Sara Lee
Three First National Plaza
Chicago, IL 60602-4260
312-726-2600
CEO: John H Bryan Jr
Food processors-branded foods

Scana
PO Box 764
Columbia, SC 29218
803-748-3000
CEO: John A Warren
Electric utilities-southeast
Natural gas-distributors

Schering-Plough
One Giralda Farms
Madison, NJ 07940-1000
201-822-7000
CEO: Robert P Luciano
Health-drugs
Consumer-personal products

Scott Paper
Scott Plaza
Philadelphia, PA 19113
215-522-5000
CEO: Philip E Lippincott
Consumer-personal products
Paper

Seagate Technology
920 Disc Drive
Scotts Valley, CA 95066
408-438-6550
CEO: Allan F Shugart
Electronics-computers

Seamen's
30 Wall Street
New York, NY 10005
212-428-4500
CEO: Robert K Utley III
Banks-multinational

Sears, Roebuck
Sears Tower
Chicago, IL 60684
312-875-2500
CEO: Edward A Brennan
Retailing-department stores
Insurance-diversified

Security Pacific
333 South Hope Street
Los Angeles, CA 90071
213-345-6211
CEO: Richard J Flamson III
Banks-western

Service Corp International
PO Box 13548
Houston, TX 77219
713-522-5141
CEO: Robert L Waltrip
Consumer-personal products

Service Merchandise
PO Box 24600
Nashville, TN 37202-4600
615-251-6666
CEO: Raymond Zimmerman
Retailing-catalog showrooms

Shawmut National
One Federal Street
Boston, MA 02211
617-292-2000
CEO: Joel B Alvord
Banks-northeast

Sherwin-Williams
101 Prospect Avenue NW
Cleveland, OH 44115-1075
216-566-2000
CEO: John G Breen
Retailing-miscellaneous
Chemicals-specialized

Sigma-Aldrich
3050 Spruce Street
St Louis, MO 63103
314-771-5765
CEO: Carl T Cori
Chemicals-specialized

Signet Banking
PO Box 25970
Richmond, VA 23260
804-747-2000
CEO: Frederick Deane Jr
Banks-Mid-Atlantic

SmithKline Beckman
PO Box 7929
Philadelphia, PA 19101
215-751-4000
CEO: Henry Wendt
Health-drugs
Health-medical supplies

Snap-on Tools
2801 80th Street
Kenosha, WI 53141-1410
414-656-5200
CEO: William B Rayburn
Automotive-auto parts

Society
800 Superior Avenue
Cleveland, OH 44114
216-622-9000
CEO: Robert W Gillespie
Banks-north central

Society for Savings
PO Box 2200
Hartford, CT 06145-2200
203-727-5000
CEO: Elliott C Miller
Banks-thrift institutions

Sonat
PO Box 2563
Birmingham, AL 35202-2563
205-325-3800
CEO: Ronald L Kuehn Jr
Natural gas-producers & pipeliners

Where to find The Forbes 500s

Sonoco Products
PO Box 160
Hartsville, SC 29550-0160
803-383-7000
CEO: Charles W Coker Jr
Packaging

South Carolina National
1426 Main Street
Columbia, SC 29226-0001
803-765-3000
CEO: James G Lindley
Banks-southeast

Southeast Banking
One Southeast Financial Center
Miami, FL 33131
305-375-7500
CEO: Charles J Zwick
Banks-southeast

Southern California Edison
PO Box 800
Rosemead, CA 91770
818-302-1212
CEO: Howard P Allen
Electric utilities-western

Southern Company
64 Perimeter Center East
Atlanta, GA 30346
404-393-0650
CEO: Edward L Addison
Electric utilities-southeast

Southern New England Telecommunications
PO Box 1562
New Haven, CT 06506
203-771-5200
CEO: Walter H Monteith Jr
Telecommunications-carriers

Southmark
1601 LBJ Freeway
Dallas, TX 75234
214-241-8787
CEO: Gene E Phillips
Finance-services

SouthTrust
PO Box 2554
Birmingham, AL 35290
205-254-5680
CEO: Wallace D Malone Jr
Banks-southeast

Southwest Gas
PO Box 98510
Las Vegas, NV 89193-8510
702-876-7011
CEO: William M Laub Sr
Natural gas-distributors
Banks-thrift institutions

Southwestern Bell
One Bell Center
St Louis, MO 63101-3099
314-235-9800
CEO: Zane E Barnes
Telecommunications-carriers

Southwestern Public Service
PO Box 1261
Amarillo, TX 79170
806-378-2121
CEO: Bert Ballengee
Electric utilities-south central

Sovran Financial
One Commercial Place
Norfolk, VA 23510
804-441-4000
CEO: Clifford A Cutchins III
Banks-Mid-Atlantic

Springs Industries
PO Box 70
Fort Mill, SC 29715
803-547-3560
CEO: Walter Y Elisha
Clothing-textiles manufacturer
Consumer-home furnishings

Square D
Executive Plaza
Palatine, IL 60067
312-397-2600
CEO: Dalton L Knauss
Electrical equipment

Squibb
PO Box 4000
Princeton, NJ 08543-4000
609-921-4000
CEO: Richard M Furlaud
Health-drugs

Staley Continental
1701 Golf Road
Rolling Meadows, IL 60008
312-981-1696
CEO: Donald E Nordlund
Food distributors-wholesalers
Food processors-commodities

Standard Federal Bank
2401 West Big Beaver Road
Troy, MI 48084
313-643-9600
CEO: Thomas R Ricketts
Banks-thrift institutions

Stanley Works
PO Box 7000
New Britain, CT 06050
203-225-5111
CEO: Richard H Ayers
Heavy equipment-industrial
Consumer-appliances

State Street Boston
Box 351
Boston, MA 02101
617-786-3000
CEO: William S Edgerly
Banks-northeast

JP Stevens
1185 Avenue of the Americas
New York, NY 10036
212-930-2000
CEO: Whitney Stevens
Consumer-home furnishings
Clothing-textiles manufacturer

Stone Container
150 North Michigan Avenue
Chicago, IL 60601-7568
312-346-6600
CEO: Roger W Stone
Packaging
Paper

Stop & Shop Cos
PO Box 369
Boston, MA 02101
617-770-8000
CEO: Avram J Goldberg
Food distributors-major supermarkets
Retailing-discount & variety

Student Loan Marketing Assn
1050 Thomas Jefferson Street NW
Washington, DC 20007
202-333-8000
CEO: Edward A Fox
Finance-services

Subaru of America
PO Box 6000
Cherry Hill, NJ 08034-6000
609-488-8500
CEO: Harvey H Lamm
Automotive-autos & trucks

Sumitomo Bank of California
320 California Street
San Francisco, CA 94104
415-445-8000
CEO: Keizo Yoshida
Banks-western

Summit Bancorp
367 Springfield Avenue
Summit, NJ 07901
201-522-8400
CEO: Thomas D Sayles Jr
Banks-Mid-Atlantic

Sun Company
100 Matsonford Road
Radnor, PA 19087-4597
215-293-6000
CEO: Robert McClements Jr
Oil & gas-domestic

Sun Microsystems
2550 Garcia Avenue
Mountain View, CA 94043
415-960-1300
CEO: Scott G McNealy
Electronics-computers

Sundstrand
PO Box 7003
Rockford, IL 61125-7003
815-226-6000
CEO: Evans W Erikson
Aerospace & defense
Heavy equipment-industrial

SunTrust Banks
PO Box 4418
Atlanta, GA 30302
404-588-7455
CEO: Robert Strickland
Banks-southeast

Super Food Services
Kettering Box 2323
Dayton, OH 45429
513-294-1731
CEO: Jack Twyman
Food distributors-wholesalers

Super Valu Stores
PO Box 990
Minneapolis, MN 55440
612-828-4000
CEO: Michael W Wright
Food distributors-wholesalers

Sysco
1390 Enclave Parkway
Houston, TX 77077-2027
713-584-1390
CEO: John F Woodhouse
Food distributors-wholesalers

Talman Home Federal S&L of Illinois
30 West Monroe Street
Chicago, IL 60603
312-726-8915
CEO: Theodore H Roberts
Banks-thrift institutions

Tambrands
One Marcus Avenue
Lake Success, NY 11042
516-358-8300
CEO: Edwin H Shutt Jr
Consumer-personal products

Tandem Computers
19333 Vallco Parkway
Cupertino, CA 95014-2599
408-725-6000
CEO: James G Treybig
Electronics-computers

Tandy
PO Box 17180
Fort Worth, TX 76102
817-390-3700
CEO: John V Roach
Retailing-miscellaneous
Electronics-computers

TCF Financial
801 Marquette Avenue
Minneapolis, MN 55402
612-370-7000
CEO: William A Cooper
Banks-thrift institutions

TECO Energy
PO Box 111
Tampa, FL 33601
813-228-4111
CEO: Hugh L Culbreath
Electric utilities-southeast

Tecumseh Products
100 East Patterson Street
Tecumseh, MI 49286
517-423-8411
CEO: Todd W Herrick
Heavy equipment-industrial

Tektronix
PO Box 500
Beaverton, OR 97077
503-627-7111
CEO: David P Friedley
Electronics-equipment

Tele-Communications
PO Box 5630
Denver, CO 80217
303-721-5500
CEO: John C Malone
Communications-broadcasting

Teledyne
1901 Avenue of the Stars
Los Angeles, CA 90067
213-277-3311
CEO: George A Roberts
Conglomerates
Aerospace & defense/Insurance-diversified

Temple-Inland
Drawer N
Diboll, TX 75941
409-829-1313
CEO: Clifford J Grum
Packaging
Building-miscellaneous materials

Tenneco
PO Box 2511
Houston, TX 77252-2511
713-757-2131
CEO: James L Ketelsen
Conglomerates/Oil & gas-domestic
Natural gas-producers & pipeliners

Tesoro Petroleum
PO Box 17536
San Antonio, TX 78217
512-828-8484
CEO: Robert V West Jr
Oil & gas-domestic

Texaco
2000 Westchester Avenue
White Plains, NY 10650
914-253-4000
CEO: James W Kinnear
Oil-international

Texas Air
333 Clay Street
Houston, TX 77002
713-658-9588
CEO: Francisco A Lorenzo
Air transport-passenger

Texas American Bancshares
PO Box 2050
Fort Worth, TX 76113
817-338-8671
CEO: Joseph M Grant
Banks-south central

Texas Eastern
PO Box 2521
Houston, TX 77252-2521
713-759-3131
CEO: Dennis R Hendrix Jr
Natural gas-producers & pipeliners

Texas Instruments
PO Box 655474
Dallas, TX 75265
214-995-2011
CEO: Jerry R Junkins
Electronics-semiconductors
Aerospace & defense

Texas Utilities
2001 Bryan Tower
Dallas, TX 75201
214-812-4600
CEO: Andrew L Lewis
Electric utilities-south central

Textron
40 Westminster Street
Providence, RI 02903
401-421-2800
CEO: Beverly F Dolan
Conglomerates
Aerospace & defense

Time Inc
Rockefeller Center
New York, NY 10020
212-522-1212
CEO: J Richard Munro
Communications-publishing
Communications-broadcasting

Times Mirror
Times Mirror Square
Los Angeles, CA 90053
213-237-3700
CEO: Robert F Erburu
Communications-publishing

Timken
1835 Dueber Avenue SW
Canton, OH 44706-2798
216-438-3000
CEO: William R Timken Jr
Heavy equipment-industrial
Metals-steel

Torchmark
2001 Third Avenue South
Birmingham, AL 35233
205-325-4200
CEO: Ronald K Richey
Insurance-life & health

Toys "R" Us
395 West Passaic Street
Rochelle Park, NJ 07662
201-845-5033
CEO: Charles Lazarus
Retailing-miscellaneous

Trans World Airlines
605 Third Avenue
New York, NY 10158
212-692-3000
CEO: Carl C Icahn
Air transport-passenger

Transamerica
600 Montgomery Street
San Francisco, CA 94111
415-983-4000
CEO: James R Harvey
Insurance-diversified

Where to find The Forbes 500s

Transco Energy
PO Box 1396
Houston, TX 77251
713-439-2000
CEO: George S Slocum
Natural gas-producers & pipeliners

Travelers
One Tower Square
Hartford, CT 06183
203-277-0111
CEO: Edward H Budd
Insurance-diversified

Triangle Industries
900 Third Avenue
New York, NY 10022-4702
212-230-3000
CEO: Nelson Peltz
Packaging

Tribune
435 North Michigan Avenue
Chicago, IL 60611
312-222-9100
CEO: Stanton R Cook
Communications-publishing

Trinova
1705 Indian Wood Circle
Maumee, OH 43537
419-891-2200
CEO: Darryl F Allen
Heavy equipment-industrial

Trustcorp
PO Box 10099
Toledo, OH 43699-0099
419-259-8598
CEO: George W Haigh
Banks-north central

TRW
1900 Richmond Road
Cleveland, OH 44124
216-291-7000
CEO: Ruben F Mettler
Aerospace and defense
Automotive-auto parts

Tucson Electric Power
PO Box 711
Tucson, AZ 85702
602-622-6661
CEO: Einar Greve
Electric utilities-western

Turner
633 Third Avenue
New York, NY 10017
212-878-0400
CEO: Herbert D Conant
Building-commercial

TW Services
605 Third Avenue
New York, NY 10158
212-972-4700
CEO: Frank L Salizzoni
Food distributors-wholesalers
Restaurant chains

Tyson Foods
PO Drawer E
Springdale, AR 72764
501-756-4000
CEO: Don Tyson
Food processors-meatpacking

Union Camp
1600 Valley Road
Wayne, NJ 07470
201-628-2000
CEO: Raymond E Cartledge
Paper
Packaging

Union Carbide
39 Old Ridgebury Road
Danbury, CT 06817-0001
203-794-2000
CEO: Robert D Kennedy
Chemicals-diversified

Union Electric
PO Box 149
St Louis, MO 63166
314-621-3222
CEO: William E Cornelius
Electric utilities-north central

Union National
620 Washington Road
Mt Lebanon, PA 15228
412-644-6200
CEO: George F Kesel
Banks-Mid-Atlantic

Union Pacific
345 Park Avenue
New York, NY 10154
212-418-7800
CEO: Andrew L Lewis Jr
Surface transportation-railroads
Oil & gas-domestic

Union Planters
67 Madison Avenue
Memphis, TN 38103
901-523-6000
CEO: Benjamin W Rawlins Jr
Banks-southeast

Unisys
PO Box 418
Detroit, MI 48232
313-972-7000
CEO: W Michael Blumenthal
Electronics-computers

United Artists Communications
5655 South Yosemite
Engelwood, CO 80111
303-220-8800
CEO: Stuart D Blair
Leisure-entertainment
Communications-broadcasting

United Banks of Colorado
1700 Lincoln Street
Denver, CO 80274-0010
303-861-4700
CEO: N Berne Hart
Banks-western

United Brands
One East Fourth Street
Cincinnati, OH 45202
513-579-2115
CEO: Carl H Lindner
Food processors-meatpacking
Food processors-branded foods

United Cable Television
4700 South Syracuse Parkway
Denver, CO 80237
303-779-5999
CEO: Gene W Schneider
Communications-broadcasting

United Financial Group
5718 Westheimer
Houston, TX 77057
713-974-8700
CEO: Jenard M Gross
Banks-thrift institutions

United Illuminating
80 Temple Street
New Haven, CT 06506
203-787-7200
CEO: George W Edwards Jr
Electric utilities-northeast

United Jersey Banks
PO Box 2066
Princeton, NJ 08543-2066
609-987-3200
CEO: T Joseph Semrod
Banks-Mid-Atlantic

United Missouri Bancshares
PO Box 419226
Kansas City, MO 64141-6226
816-556-7000
CEO: R Crosby Kemper
Banks-north central

US Bancorp
PO Box 8837
Portland, OR 97208
503-225-6111
CEO: Roger L Breezley
Banks-western

US Shoe
One Eastwood Drive
Cincinnati, OH 45227
513-527-7000
CEO: Philip G Barach
Retailing-apparel
Clothing-shoe manufacturer

United Technologies
One Financial Plaza
Hartford, CT 06101
203-728-7000
CEO: Robert F Daniell
Aerospace & defense
Building-commercial

United Telecommunications
PO Box 11315
Kansas City, MO 64112
913-676-3000
CEO: William T Esrey
Telecommunications-carriers

Universal (formerly Universal Leaf Tobacco)
PO Box 25099
Richmond, VA 23260
804-359-9311
CEO: Gordon L Crenshaw
Beverages & tobacco-tobacco
Finance-commodity traders

Unocal
PO Box 7600
Los Angeles, CA 90051
213-977-7600
CEO: Fred L Hartley
Oil & gas-domestic

UNUM Corp
2211 Congress Street
Portland, ME 04122
207-780-2211
CEO: James F Orr III
Insurance-life & health

Upjohn
7000 Portage Road
Kalamazoo, MI 49001
616-323-4000
CEO: Theodore Cooper
Health-drugs

US West
7800 East Orchard Road
Englewood, CO 80111
303-793-6500
CEO: Jack A MacAllister
Telecommunications-carriers

USAir Group
1911 Jefferson Davis Highway
Arlington, VA 22202
703-892-7000
CEO: Edwin I Colodny
Air transport-passenger

USF&G
100 Light Street
Baltimore, MD 21202
301-547-3000
CEO. Jack Moseley
Insurance-property & casualty

USG
101 South Wacker Drive
Chicago, IL 60606-4385
312-606-4000
CEO: Robert J Day
Building-miscellaneous materials
Building-cement & gypsum

USLife
125 Maiden Lane
New York, NY 10038
212-709-6000
CEO: Gordon E Crosby Jr
Insurance-life & health

UST Inc
100 West Putnam Avenue
Greenwich, CT 06830
203-661-1100
CEO: Louis F Bantle
Beverages & tobacco-tobacco

USX
600 Grant Street
Pittsburgh, PA 15230
412-433-1121
CEO: David M Roderick
Oil & gas-domestic
Metals-steel

Utah Power & Light
1407 West North Temple
Salt Lake City, UT 84140
801-220-2000
CEO: Frank N Davis
Electric utilities-western

Valhi
5430 LBJ Freeway
Dallas, TX 75240
214-386-4110
CEO: Harold C Simmons
Chemicals-specialized

Valley Bancorp
PO Box 1061
Appleton, WI 54912
414-738-3830
CEO: Gus A Zuehlke
Banks-north central

Valley Federal Savings & Loan Assn
6842 Van Nuys Boulevard
Van Nuys, CA 91405
818-904-3000
CEO: Daniel E Nelms
Banks-thrift institutions

Valley National
PO Box 71
Phoenix, AZ 85001
602-261-2900
CEO: James P Simmons
Banks-western

VF
PO Box 1022
Reading, PA 19603
215-378-1151
CEO: Lawrence R Pugh
Clothing-apparel manufacturer

Viacom
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New York, NY 10036
212-575-5175
CEO: Frank J Biondi Jr
Communications-broadcasting

Vons Cos
PO Box 3338 Terminal Annex
Los Angeles, CA 90051
818-579-1400
CEO: Roger E Stangeland
Food distributors-regional supermarkets

Vulcan Materials
PO Box 7497
Birmingham, AL 35253-0497
205-877-3000
CEO: Herbert A Sklenar
Building-miscellaneous materials
Chemicals-specialized

Wal-Mart Stores
702 Southwest 8th Street
Bentonville, AR 72716
501-273-4000
CEO: David D Glass
Retailing-discount & variety

Walgreen
200 Wilmot Road
Deerfield, IL 60015
312-940-2500
CEO: Charles R Walgreen III
Retailing-drugs

Wang Laboratories
One Industrial Avenue
Lowell, MA 01851
617-459-5000
CEO: An Wang
Electronics-computers

Warner Communications
75 Rockefeller Plaza
New York, NY 10019
212-484-8000
CEO: Steven J Ross
Leisure-entertainment

Warner-Lambert
201 Tabor Road
Morris Plains, NJ 07950
201-540-2000
CEO: Joseph D Williams
Health-drugs

Washington Mutual Savings Bank
1101 Second Avenue
Seattle, WA 98101
206-464-4400
CEO: Louis H Pepper
Banks-thrift institutions

Washington Post
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Washington, DC 20071
202-334-6000
CEO: Katharine Graham
Communications-publishing

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Spokane, WA 99220
509-489-0500
CEO: Paul A Redmond
Electric utilities-western

Waste Management
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Oak Brook, IL 60521
312-572-8800
CEO: Dean L Buntrock
Services & related products-industrial

Weis Markets
1000 South Second Street
Sunbury, PA 17801
717-286-4571
CEO: Sigfried Weis
Food distributors-regional supermarkets

Where to find The Forbes 500s

Wells Fargo
420 Montgomery Street
San Francisco, CA 94163
415-396-0123
CEO: Carl E Reichardt
Banks-western

West Point-Pepperell
PO Box 71
West Point, GA 31833
404-645-4000
CEO: Joseph L Lanier Jr
Consumer-home furnishings/Clothing-apparel manufacturer/Clothing-textiles manufacturer

Western Capital Investment
1675 Broadway
Denver, CO 80202
303-623-5577
CEO: Junius F Baxter
Banks-thrift institutions

Western Savings & Loan Association
PO Box 16290
Phoenix, AZ 85011-6290
602-248-4600
CEO: Gary Driggs
Banks-thrift institutions

Westinghouse Electric
Gateway Center
Pittsburgh, PA 15222
412-244-2000
CEO: John C Marous
Electrical equipment
Aerospace & defense

Westvaco
299 Park Avenue
New York, NY 10171
212-688-5000
CEO: David L Luke III
Paper

Wetterau
8920 Pershall Road
Hazelwood, MO 63042
314-524-5000
CEO: Ted C Wetterau
Food distributors-wholesalers

Weyerhaeuser
Weyerhaeuser Building
Tacoma, WA 98477
206-924-2345
CEO: George H Weyerhaeuser
Building-lumber
Paper

Whirlpool
Benton Harbor, MI 49022-2692
616-926-5000
CEO: David R Whitwam
Consumer-appliances

Whitney Holding
228 St Charles Avenue
New Orleans, LA 70103
504-586-7272
CEO: Patrick A Delaney
Banks-south central

Wickes Cos
3340 Ocean Park Boulevard
Santa Monica, CA 90405
213-452-0161
CEO: Sanford C Sigoloff
Retailing-miscellaneous

Willamette Industries
1300 SW Fifth Avenue
Portland, OR 97201
503-227-5581
CEO: William Swindells Jr
Paper
Building-lumber

Williams Cos
One Williams Center
Tulsa, OK 74172
918-588-2000
CEO: Joseph H Williams
Natural gas-producers & pipeliners

Wilmington Trust
Rodney Square North
Wilmington, DE 19890
302-651-1000
CEO: Bernard J Taylor II
Banks-Mid-Atlantic

Wilson Foods
4545 Lincoln Boulevard
Oklahoma City, OK 73105
405-525-4545
CEO: Kenneth J Griggy
Food processors-meatpacking

Winn-Dixie Stores
PO Box B
Jacksonville, FL 32203-0297
904-783-5000
CEO: A Dano Davis
Food distributors-major supermarkets

Wisconsin Energy
PO Box 2949
Milwaukee, WI 53201
414-221-2345
CEO: Charles S McNeer
Electric utilities-north central

Witco
520 Madison Avenue
New York, NY 10022-4236
212-605-3800
CEO: William Wishnick
Oil & gas-domestic
Chemicals-specialized

FW Woolworth
233 Broadway
New York, NY 10279
212-553-2000
CEO: Harold E Sells
Retailing-discount & variety
Retailing-shoes

Wm Wrigley Jr
410 North Michigan Avenue
Chicago, IL 60611
312-644-2121
CEO: William Wrigley
Food processors-branded foods

Xerox
PO Box 1600
Stamford, CT 06904
203-968-3000
CEO: David T Kearns
Services & related products-office
Insurance-property & casualty

Yellow Freight System
PO Box 7563
Overland Park, KS 66207
913-345-1020
CEO: George E Powell Jr
Surface transportation-trucking & leasing

Zayre
770 Cochituate Road
Framingham, MA 01701
617-620-5000
CEO: Maurice Segall
Retailing-discount & variety
Retailing-apparel

Zenith Electronics
1000 Milwaukee Avenue
Glenview, IL 60025
312-391-7000
CEO: Jerry K Pearlman
Consumer-appliances
Electronics-computers

Zions Bancorporation
1380 Kennecott Building
Salt Lake City, UT 84133
801-524-4787
CEO: Roy W Simmons
Banks-western

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4/19/88

HOW DONALD TRUMP OVERREACHED

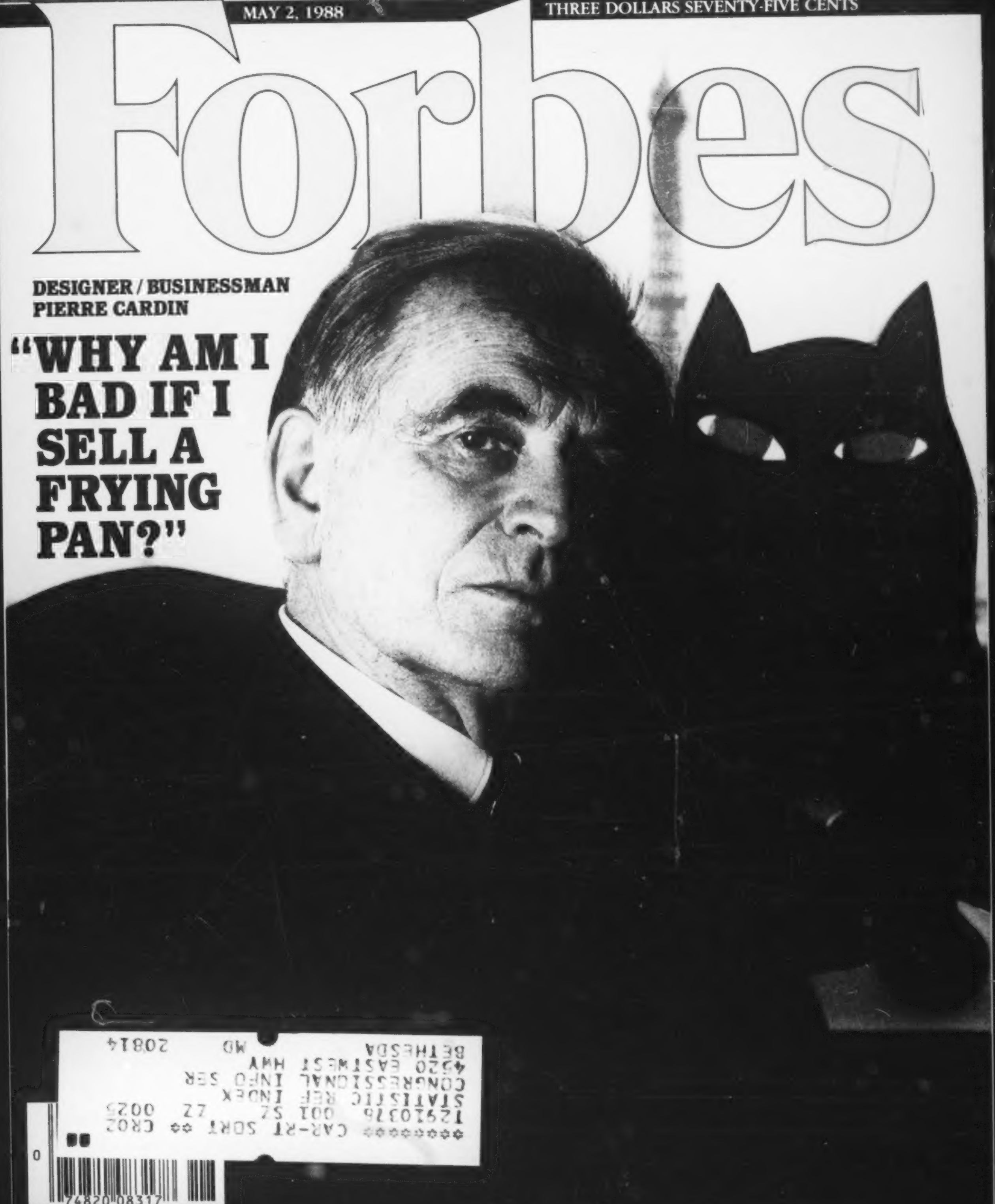
THE NEW SURGE IN METALS PRICES

THE SMART TURNAROUND IN LOW-TECH COMPANIES

MAY 2, 1988

THREE DOLLARS SEVENTY-FIVE CENTS

Forbes



DESIGNER / BUSINESSMAN
PIERRE CARDIN

"WHY AM I BAD IF I SELL A FRYING PAN?"

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Forbes

Cover Photograph by Pierre-Olivier Deschamps/Vu-Contact

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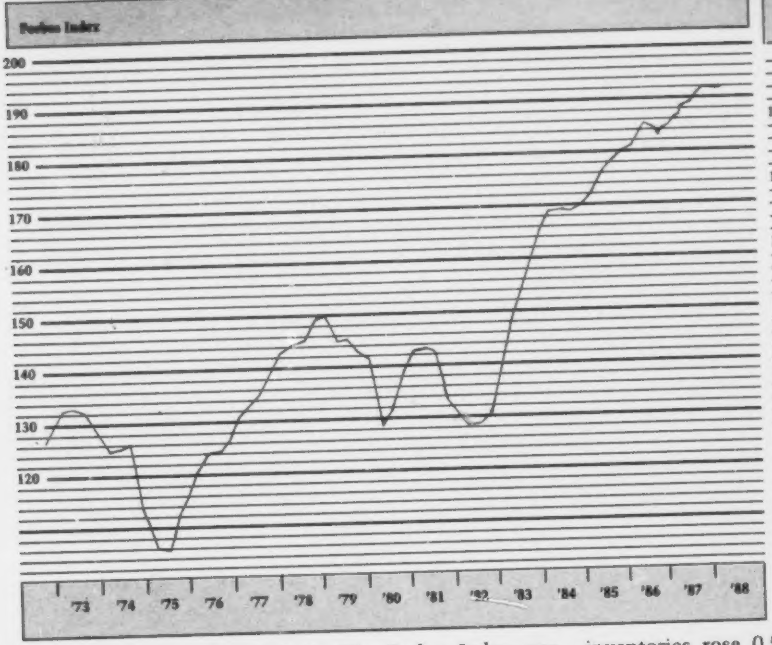
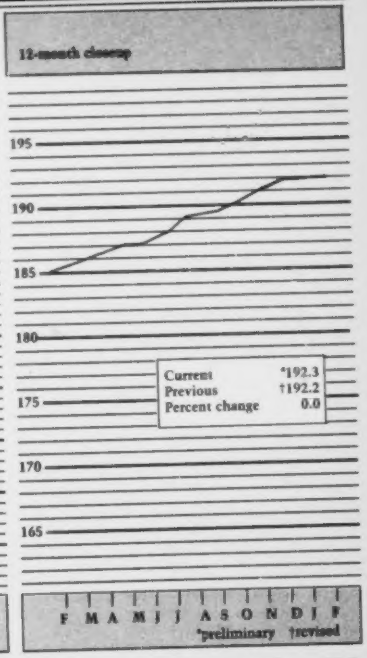
May 2, 1988 Volume 141 Number 10 Forbes (ISSN 0015 6914) is published biweekly except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Canadian second-class postage paid, permit number 9490. Subscription $45 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011. Copyright © 1988 Forbes Inc. Title is protected through a trademark registration in the U.S. Patent Office.

The Forbes Index


Forbes Index


12-month closeup

Current	*192.3
Previous	†192.2
Percent change	0.0

*preliminary †revised

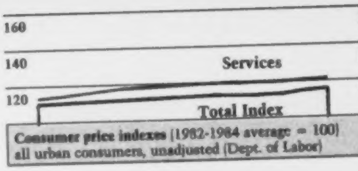
Consumers are still optimistic. The Forbes Index was virtually unchanged in February, but the consumer installment credit component recorded its ninth straight monthly advance, up 0.9%. Since May 1987 a spending spree has pushed this component up 7.1%, to a record $625 billion, ahead of the growth in personal income.

Manufacturers' new orders fell 1% in February, while inventories rose 0.5%. Despite lackluster orders, U.S. industry appears to be getting healthier: Industrial production, which measures output at the nation's factories, mines and utilities, has increased for five consecutive months. Some industries (e.g., steel) are improving under the influence of trade protectionism, a weak dollar and cost-cutting steps taken when the dollar was stronger.

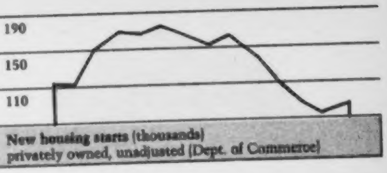
The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

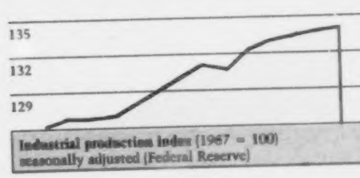
To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



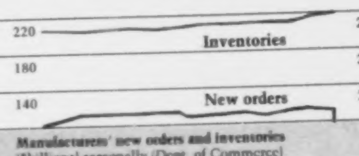
Consumer price indexes (1982-1984 average = 100) all urban consumers, unadjusted (Dept. of Labor)



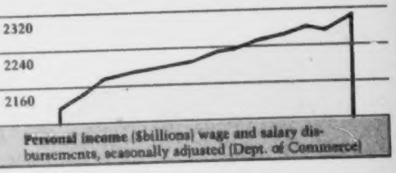
New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)



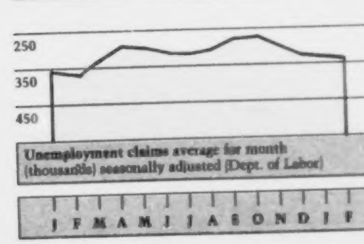
Industrial production index (1967 = 100) seasonally adjusted (Federal Reserve)



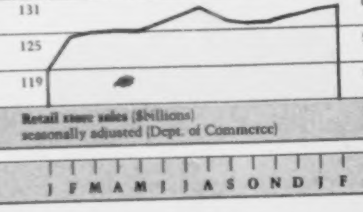
Manufacturers' new orders and inventories ($billions) seasonally (Dept. of Commerce)



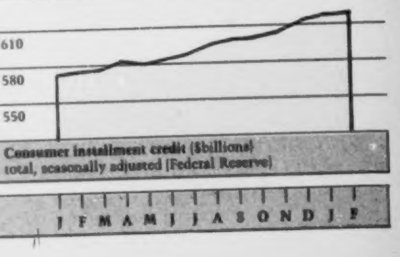
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)



Retail store sales ($billions) seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

would just push in more venom. People who are allergic should avoid brightly colored clothing and perfume when they're going to be outside, and not walk barefoot in grass.

Household pets are also susceptible to allergic reactions to insect stings. Dr. Gus Thornton, chief of staff at the Angell Memorial veterinary hospital in Boston, advises the same caution for animals against insects as for humans. If a pet's head or neck swells, get the animal to the vet right away for a shot of antihistamine or cortisone. And ask the vet for some antihistamines to keep on hand in case of future stings.—**Francesca Lunzer**

Sotheby's Art Market Trends

Index sectors	March 1988	One month ago	One year ago	Two years ago	Five years ago	One month % change	One year % change	Two year % change	Five years % change	Five years average annual % change
Old Master paintings	373	373	329	293	210	nil	+13.4	+27.3	+77.6	+12.2
19th-century European paintings	333	333	284	249	185	nil	+17.3	+33.7	+80.0	+12.5
Impressionist & Post-impressionist art	723	723	521	380	267	nil	+38.8	+90.3	+170.8	+22.0
Modern paintings (1900-1950)	757	757	544	364	245	nil	+39.2	+108.0	+209.0	+25.3
Contemporary art (1945 onward)	609	609	551	497	342	nil	+10.5	+22.5	+78.1	+12.2
American paintings (1800–pre-WWII)	871	871	698	667	450	nil	+24.8	+30.6	+93.6	+14.1
Continental ceramics	407	407	290	284	266	nil	+40.3	+43.3	+53.0	+ 8.9
Chinese ceramics	581	581	526	486	440	nil	+10.5	+19.5	+32.0	+ 5.7
English silver	388	388	343	314	209	nil	+13.1	+23.6	+85.6	+13.2
Continental silver	220	220	201	181	139	nil	+ 9.5	+21.5	+58.3	+ 9.6
American furniture	469	469	451	333	239	nil	+ 4.0	+40.8	+96.2	+14.4
French & Continental furniture	324	319	299	273	239	+1.6	+ 8.4	+18.7	+35.6	+ 6.3
English furniture	657	657	523	419	267	nil	+25.6	+56.8	+146.1	+19.7
Aggregate index*	517	517	419	345	256	nil	+23.4	+49.9	+102.0	+15.1

Basis: 1975 = 100 ($).

*Contemporary art was added to the Art Index in September 1987. The aggregate index excludes this category prior to that date.

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Sotheby's Art Market Trends reflect subjective analyses and opinions of Sotheby's art experts, based on auction sales and other information deemed relevant. Nothing in Sotheby's Art Market Trends is intended as investment advice or as a prediction or guarantee of future performance or otherwise.

Monthly highlights

Major sales of Impressionist and modern art in London produced strong results across a broad range of items. Fierce bidding for a painting by Modigliani, "Mario," sent the price to double the estimate at $9 million, while "Les blanchisseuses portant du linge" by Edgar Degas, originally considered to be the star lot, achieved $7.4 million. In general, prices were the same in sterling terms as they were at the previous round of major sales in London last December, implying a small rise in dollar terms. This could partially account for the extremely low volume of American buying.

Later in the month the major London auction houses held specialized sales of Scandinavian art immediately prior to the general sales of 19th-century paintings. Well over 500 works were offered for sale. Results fell short of expectations, with 25% unsold, but the net total of over $13 million indicates widening interest. Demand for Scandinavian art outside Scandinavia was almost nonexistent just a few years ago. Two highlights: A study of two girls in a wood by the popular artist Anders Zorn fetched $908,000, and a painting by Carl Larsson of his wife in a studio sold for $485,000.

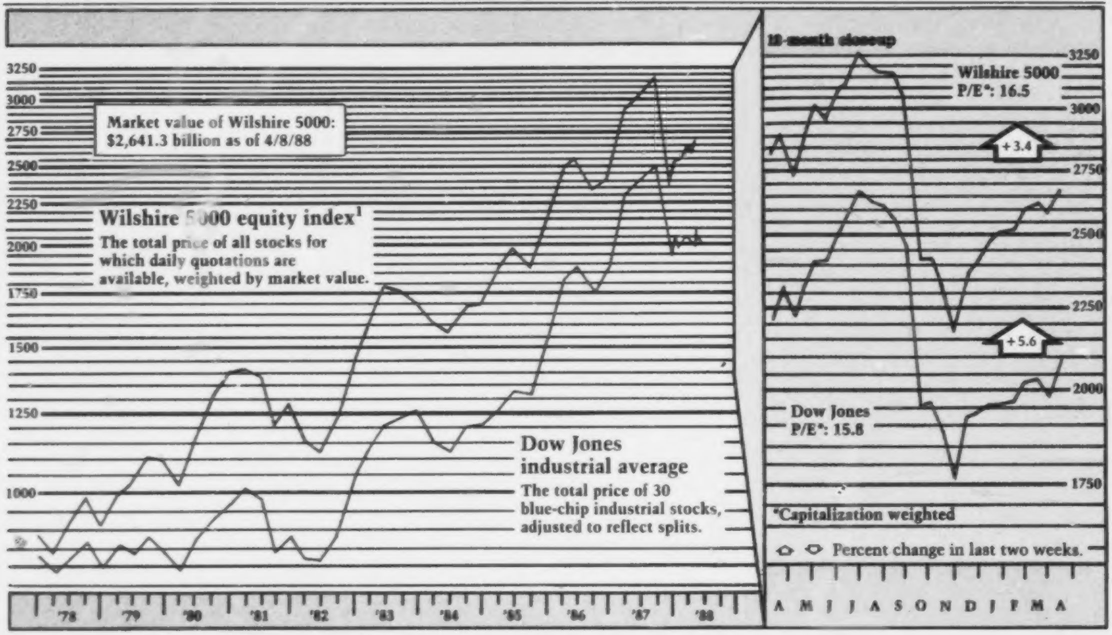
European bidders in New York, taking advantage of the strength of their currencies, were active at a sale of French and Continental furniture. The sale totaled $1.5 million, with just 3% unsold. Bidding soared for the top lot, a French Empire chair, when a South American and a British collector, who owned an identical chair, competed fiercely, pushing the price to $44,000 against a high estimate of $5,000. The South American got the chair.

Sotheby's

Empire armchair, sold for $44,000

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Bull market resuming? Aided by a steady dollar and strong earnings reports, the Dow regained more lost ground over the past two weeks with a healthy 5.6% advance. The 111-point two-week increase brought the Dow to its highest level since Meltdown Monday. The overall market, as measured by the Wilshire index of 5,700 stocks, finished the last ten trading days just 0.4% below a Mar. 18 postcrash high.

In Tokyo the Nikkei index hit an alltime peak. In comparison, the U.S. Dow industrials are still off more than 23% from their August 1987 high. Are U.S. stocks bargains? The Wilshire index is selling at 16.5 times latest 12-month earnings, versus a precrash P/E of 23 and a current Nikkei P/E of 84. But before the bull market began in August of 1982, the Wilshire multiple was a much leaner 7. U.S. stocks are cheaper, but not cheap.

Closeup On the Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	1.5	1.6	2.7	1.7	1.5	1.7
in last 52 weeks	–8.8	–8.3	–10.6	–8.3	–11.1	–11.4

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	1.9	6.3	4.3	2.4	2.3	3.1	1.0	5.9	2.6	3.0	1.9	5.6
in last 52 weeks	–3.3	15.2	12.6	3.4	–6.6	–4.7	–2.3	19.2	11.7	3.1	–1.0	13.0

[1] Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2] Based on sales. [3] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

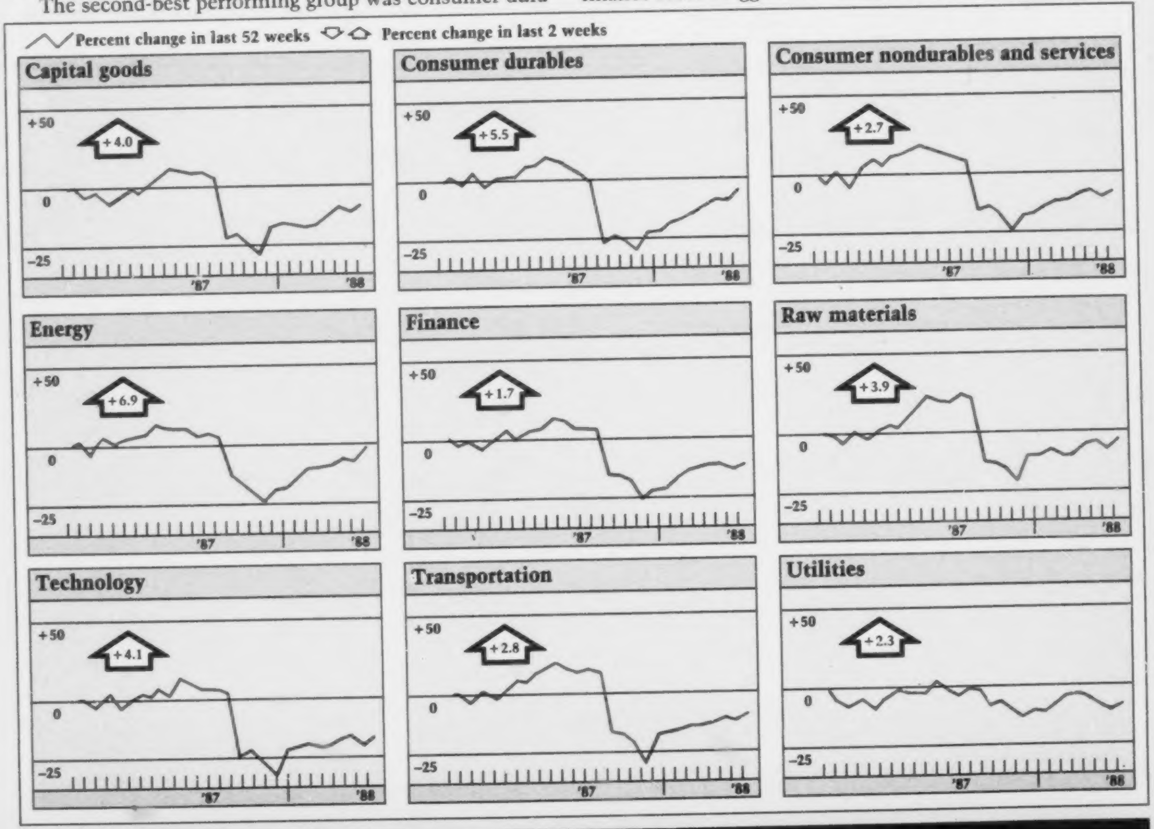
Note: All data for periods ending 4/8/88. Prepared by Wilshire Associates, Santa Monica, Calif.

Gay French

Where the Action Is

Energy stock prices rise on the prospect of tighter oil supplies. News that OPEC plans to discuss production cuts with non-OPEC producers helped the energy sector advance 6.9% in the last two weeks. Rowan Cos., Halliburton and Dresser Industries—all oilfield service firms—posted gains of 12% to 14%.

The second-best performing group was consumer durables, which rose 5.5%. A brightening sales picture for domestic autos helped Ford Motor gain 11% and General Motors 8.7%. Goodyear Tire rose 9%, while Maytag, which had been boosted by the takeover battle surrounding appliance-maker Roper, fell 8.6%. Golden West Financial and Merchants Bank of New York gained 18%, but finance stocks lagged the market with a 1.7% increase.



What the Analysts Think

Energy earnings estimates fell, primarily because of lower forecasts for natural gas pipeline companies. IBES reports that as of mid-March the average 1988 estimate for gas pipeline firms fell over 10%. Five estimates were cut in this sector for every one that was raised. The 1988 forecast for energy fell 1.3% in the past four weeks.

Forecasting the Forbes Sales 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.54	15.3
1988 estimates	3.52	11.1
1989 estimates	3.93	10.0

Rank based on change in estimate	Sector	Estimated 1988 EPS	Estimated 1988 P/E	% change in 1988 estimate in 2 weeks	% change in 1988 estimate in 4 weeks
1	Consumer durables	$3.94	13.9	1.53%	2.37%
2	Raw materials	2.95	11.7	0.67	1.61
3	Transportation	2.44	12.0	0.63	0.36
4	Capital goods	2.52	15.3	0.53	0.68
5	Utilities	2.44	9.8	0.00	–0.54
6	Consumer nondurables	2.55	13.3	–0.04	0.05
7	Technology	2.81	11.8	–0.07	–0.15
8	Finance	3.50	7.8	–0.69	–1.77
9	Energy	2.79	14.1	–0.78	–1.28

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continually by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 4/8/88. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

"Clone" funds carry a popular name. But they don't always share their successful parent's manager or results.

Son of Windsor

By Ruth Simon

The Vanguard Windsor Fund has been impressively run by Wellington Management's John Neff for 24 years—impressively enough to have attracted $5.1 billion worth of customers. But Neff and Vanguard Chairman John Bogle know you can have too much of a good thing. Winning bets on small companies don't budge a billion-dollar fund. Also, Windsor was running out of things to buy, confronted as it was with a federal limit of 5% on how much of a company's stock it can own. So Vanguard effectively closed Windsor three years ago and tapped Barrow, Hanley, Mewhinney & Strauss to start managing a Windsor II.

Like Hollywood producers, mutual fund sponsors have tried to attract customers with new versions of their biggest hits. The results, known as "clone" funds, have included box office smashes such as Windsor II, Nicholas II and Pioneer Three. But what's the advantage of the clone for the investor?

There isn't much, if the manager is the same and the style is the same, says Bogle. "Presumably the same manager would like the same stocks, buy them in the same amount and get the same performance," he says. "I'd be hard-pressed to understand why it would make any sense" to have two funds instead of one.

What's the point if the manager is different? Bogle might have a harder time answering that, but salesmanship may be a factor. Windsor has a name as a winner, and calling the new fund Windsor II rather than Barrow, Hanley, Mewhinney & Strauss Fund was the best way to capitalize on it.

John Segal

Both Windsor Funds buy stocks with low P/E ratios, and they have 14 common holdings, including Boeing, Chrysler and IBM. But over the long haul the older fund, which recently began accepting new investments from existing shareholders, has done slightly better, with an average annual return of 15% since June 30, 1985, versus 13.6% for Windsor II.

In investing, as in theater, it pays to look beyond the original review. Clone funds don't always have the same manager or strategy as their parent. And while some clones have closely tracked or even outperformed the original fund, others have not held up nearly so well. "It's really a mixed bag," says Gerald Perritt, editor of the *Mutual Fund Letter.*

A member of Forbes' honor roll for the past six years, the Nicholas Fund spawned Nicholas II in 1983 and Nicholas Limited Edition last May. "As assets grew, it became harder and harder to make stock commitments meaningful," explains Albert Nicholas, whose $1.1 billion Nicholas Fund invests in small- and medium-capitalization growth stocks. Solution: Put more small stocks in one fund, large ones in another. Although such favorites as International Dairy Queen and Foremost Corp. of America show up in all three portfolios, the newer funds lean more to small companies. Market weighting also varies: On Mar. 31, 1987, Nicholas II had 7% of its assets in cash, versus 31% for Nicholas. Since Nicholas II was created in October 1983, it is up an average 18.5%, against 13.3% for Nicholas.

"A big fund is like a riverboat. You have to start turning it before you come to a bend in the river," explains Fidelity portfolio manager George Vanderheiden, who manages Destiny I and, since 1985, Destiny II. "When I was first starting up Destiny II, I put 100,000 shares of an electronics highflier called Miniscribe into big Destiny and about 2,000 into little Destiny. It meant [a gain of] 1 cent per share in big Destiny and about 15 cents in the little fund." Vanderheiden now puts

Same name, different game

A new fund can pick up a lot of marketing pizzazz from its famous namesake. But performance doesn't rub off so easily.

			Clone[1]	
Fund	Assets[2] (millions)	12-month[3] total return	Assets[2] (millions)	12-month[3] total return
Vanguard Explorer	$262	–8.2%	$77	–13.6%
Fidelity Destiny I	1,221	–7.1	45	–5.9
Nicholas	1,029	–4.5	340	–3.2
Pioneer II	3,282	–7.5	531	–11.0
Templeton Global I	236	–10.7	424	–10.4
Vanguard Windsor	4,565	–5.2	1,235	–8.9

[1] The clone of Pioneer II is Pioneer Three. For all other funds, the clone takes the original name and adds the numeral II to it. [2] As of 12/31/87. [3] For period ending 3/24/88. *Source: Lipper Analytical Services*

more small caps such as Ply Gem Industries Inc. in Destiny II or his even smaller Plymouth Growth Opportunities fund. The result? Destiny II's average annual return since the end of 1985, 34.1%, compares with 14.8% for Destiny I.

Does this product differentiation help investors? On average, not a whit. After all, the weighted average performance of three funds is simply the performance that the manager would have had by combining the three into one big fund. But splitting a portfolio into three piles does help the manager. It gives him three shots at the honor roll.

Not all clones do better than their parent, however. Pioneer Three lost 11% of its value during the 12 months ending Mar. 24, while the original Pioneer Fund was off just 3.7% during that same period. Pioneer II, meanwhile, fell 7.5%. Why the big gap? Different managers and radically different portfolios. Pioneer II, for instance, puts 10% to 25% of its assets in foreign securities, while Pioneer Three invests only in stocks with a market cap of less than $750 million, which lagged the market last year.

Don't pick a fund by its name. Look at the manager and at the portfolio. ■

When buying a fund, pay attention to expense ratios. When buying a closed-end, pay particular attention.

Consider the costs

By Jonathan Clements

PERFORMANCE MAY BE hard to predict from one year to the next, but expense ratios do at least have the virtue of consistency. If a fund ran up costs equal to 3% of assets last year, it stands a good chance of costing a lot of money this year, too.

The admonition to consider costs applies doubly to closed-end funds. After all, the unhappy owner of an open-end can always vote with his feet. But a closed-end investor can get out only by selling to someone else who faces the same drag on performance. So a high-cost fund, even at a discount, may be no bargain. "That assumes there's no value added by management, which is a safe assumption in most cases," says Miami-based closed-end expert Thomas Herzfeld.

Case in point: Sterling Capital, a onetime Value Line fund now 76% owned by insiders who have awarded themselves nice salaries. Last year the five officers of this $17 million fund received $627,000, or 3% of average net assets. They ran up other bills that brought total expenses to 5.7% of assets. Does its performance justify such costs? Hardly. Over the five years through last December the fund delivered an average 11% a year in total return, against the market's 16.4%. The fund is currently trading at a 15% discount to its most recently reported $6.80 net asset value.

Barry Ziskin's Z-Seven Fund is another closed-end with an eye-opening expense ratio, 4.6% in 1986 and 3.2% last year. One contributor to costs is an unusually high 1.25% management fee to Ziskin's advisory firm. That base fee is raised by a performance bonus (or debit) when the fund beats (or trails) the market averages by 10%. Ziskin and colleagues pulled in $643,000, or 3% of average net assets, for excellent performance in 1986, but only $394,000 last year, when they underperformed the market by around 6 points.

Most published expense ratios include interest payments, but in the table below such costs are deducted on the assumption that, unlike other expenses, interest costs can be recouped in higher returns. But such interest payments still warrant close scrutiny. Take the Morgan Grenfell SmallCap Fund, with a 3.6% expense ratio. Another 0.7% pinch came from interest on a $3.4 million loan owed to Morgan Grenfell for underwriting the issue. The loan earned Morgan Grenfell 10% last year. Meanwhile, holders of the SmallCap Fund enjoyed a total return of –19.7%, 25 points worse than the S&P 500 average.

Interest payments also loom large at Engex, managed and partly owned by D.H. Blair & Co.'s Morton Davis, an underwriter of junky new stock issues. As of Sept. 30, 1987, Engex reported net assets of $17.1 million and an expense ratio of 2%, plus interest costs that brought the total expenses to 6.7%. Though Engex' net asset value fell 44% during the market crash, investors did get one unexpected windfall during the 1987 fiscal year. The SEC forced D.H. Blair to return $157,000 to the fund to compensate it for four Blair underwritings illegally purchased for the Engex portfolio.

It's no surprise to learn that two of the lowest-overhead funds, ASA Limited and Lehman Corp., both have a lot of assets over which to spread costs and both predate the management fee inflation of the 1980s. ASA is trading at an attractive 19.7% discount, but it invests predominantly in South African gold stocks, currently out of favor with U.S. investors. Lehman, on the other hand, has no geopolitical problems, so its 13.8% discount and low overhead may be more appealing. ■

Better shop around

Some closed-end funds are no bargain when you look at their overhead. Here, four of the highest cost and two of the most efficient.

Fund	Net assets ($millions)	Expense ratio[1]
Sterling Capital Corp	$17	5.74%
Taiwan Fund	46	3.75
Morgan Grenfell SmallCap	43	3.57
Z-Seven Fund	22	3.22
Lehman Corp	778	0.44
ASA Limited	550	0.24

[1] Management fee and other expenses, excluding interest, divided by average net assets.

Source: Thomas J. Herzfeld Advisors

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GOOD NEWS FOR STOCKS— EARNINGS LOOK STRONG

INFLATION JITTERS ARE OVERDONE

THE NEW, SERIOUS MONEY IN FRESHWATER FISHING

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THREE DOLLARS SEVENTY-FIVE CENTS

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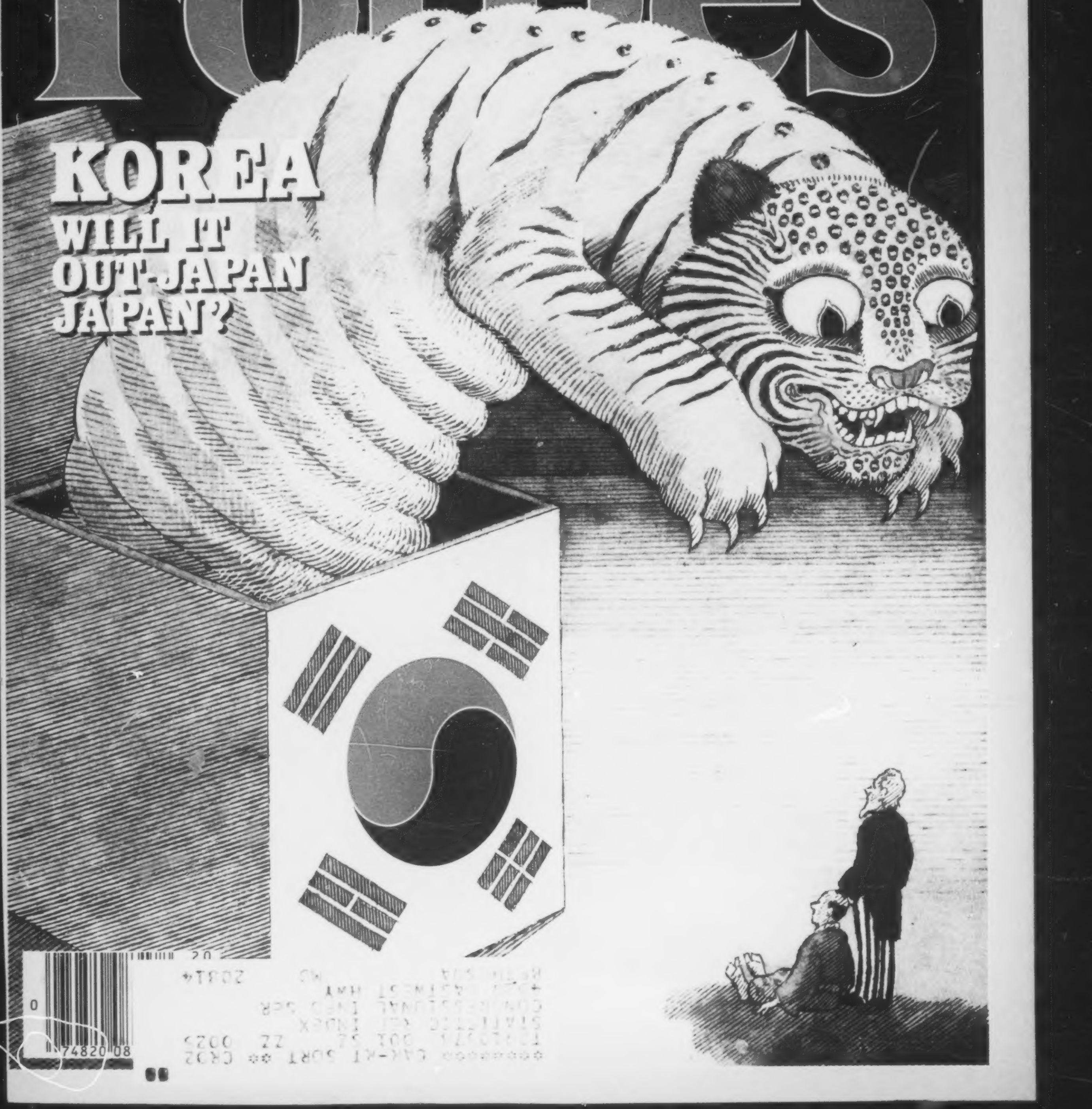
KOREA
WILL IT OUT-JAPAN JAPAN?



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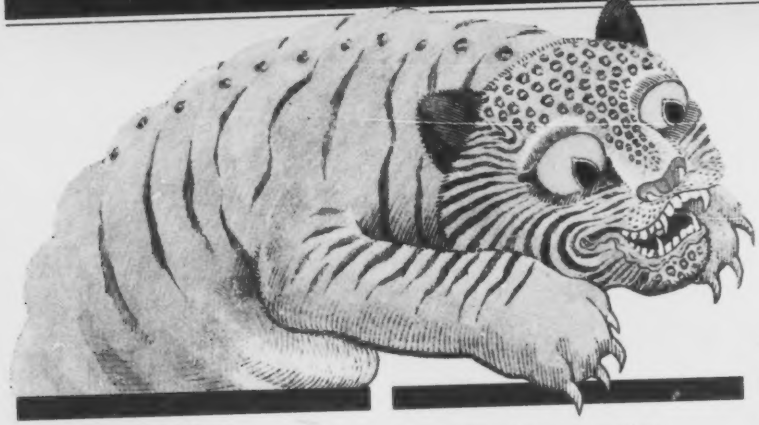

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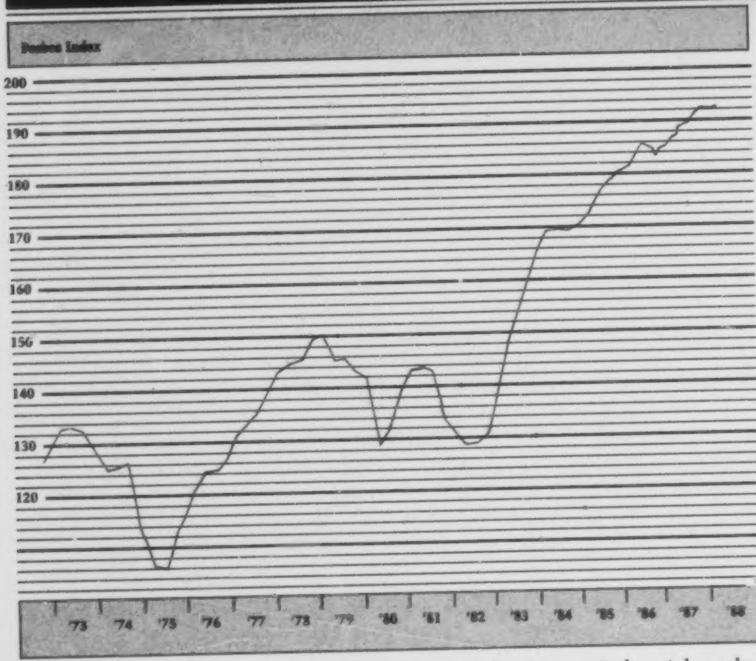
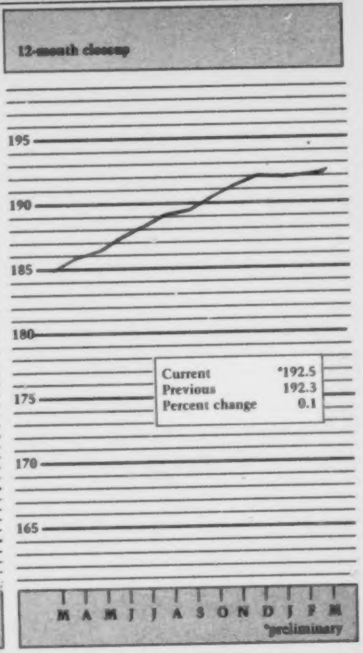
The Forbes Index


Forbes Index


12-month closeup

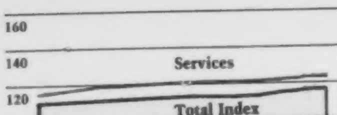
Inflation redux? In March the Consumer Price Index increased an unsettling 0.4%, the wholesale price index jumped 0.6%. One big reason for the upward move is the higher cost of apparel. American consumers buy a lot of imported clothing, and the weak dollar pushes up the cost of these goods. It also allows the domestic competition to charge more.

Industrial production rose 0.1% in March and stands 5.7% ahead of its level a year ago. The six-month total of new unemployment claims is 13.8% higher than it was in March 1987, but monthly unemployment filings have trended downward over the past two months. New housing starts, which shot up 46.2% in March, continue to show an erratic month-to-month pattern.

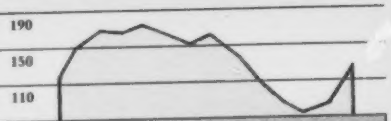
The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

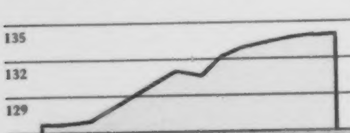
To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



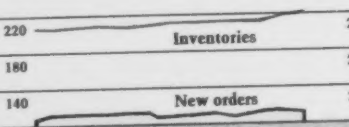
Consumer price indexes (1982-1984 average = 100) all urban consumers, unadjusted (Dept. of Labor)



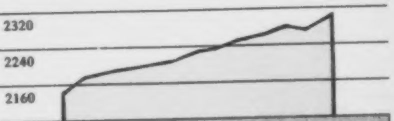
New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)



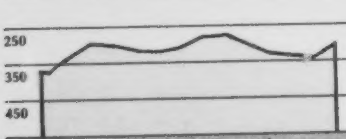
Industrial production index (1967 = 100) seasonally adjusted (Federal Reserve)



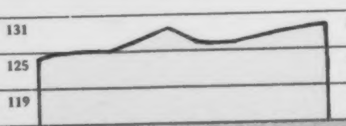
Manufacturers' new orders and inventories ($billions) seasonally (Dept. of Commerce)



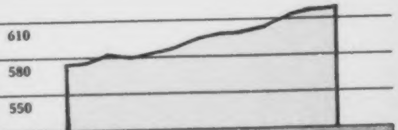
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)



Retail store sales ($billions) seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

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Growing twice as fast as Japan, South Korea promises to become another major challenge to U.S. industrial recovery. Are our multinationals up to the challenge?

Samsung:

South Korea marches to its own drummer

Billboard in New York's Times Square

In global advertising, too, Korea's manufacturers are learning from the Japanese.

By Andrew Tanzer

ANYONE WHO THINKS that all it takes is a cheaper dollar to bring back U.S. industrial exports had better read this story. What Japan has so powerfully accomplished other previously backward countries are now doing: becoming first-class industrial powers. Of these, South Korea is clearly the leader. Visit with us one of the giant businesses that spearhead the Korean economic push.

On an unseasonably warm March morning in South Korea, 13,000 workers flowed, a sea of blue and gray suits, into Seoul's cavernous Jamsil Gymnasium. The workers had been chosen from among Samsung Group's 150,000 employees to help commemorate the conglomerate's 50th anniversary. Neon signs flashed the names of the dozens of companies that combined last year to produce $24 billion in revenues. If Samsung were an American company, it would rank 15th on the Forbes 500 list—alongside such giants as Chrysler, K mart and Philip Morris. Giant banners exhorted the workers to serve the nation through business and proclaimed "the second takeoff" as pop singers and pirouetting dancers dazzled the crowd in a production worthy of Cecil B. DeMille.

But through the blur of activity, most eyes focused on a quiet and often self-effacing young man named Lee Kun-hee. On the death of his father, the legendary Lee Byung-chull, last November, the 46-year-old Lee assumed control. FORBES interviewed him in March. Was he in a triumphant mood? Not at all. He displayed the running-scared attitude that has carried his country and his company so far. "We are in a very important transition," worried Lee. "If we don't move into more capital- and technology-intensive industries, our very survival may be at stake."

Lee was talking about his company. But the words apply equally to his country's economy.

Edward Kim

Samsung Chairman K.H. Lee and his wife, Ra-he, at their Seoul home

Like his father, Lee was educated in Japan and looks to Japanese companies for models. "I have a dream," the chairman says, "to build Samsung into a world-class company, a genuine multinational."

Despite the tumultuous political scene, Korea's real GNP grew by over 12% last year. Inflation was 6%, per capita GNP exceeded $2,800 and looks like it may top $5,000 in 1991. Growth will probably be around 7% to 8% a year for the next few years, just enough to absorb the half-million young Koreans who enter the work force each year. Wealthier Japan will probably grow around 3% a year in the near future.

But the 42 million people of this Indiana-size country face serious problems, too. These problems explain why Samsung's Lee was in a running-scared rather than triumphant mood. Korea's economic miracle was built largely on the strong backs of poorly paid workers who often toiled 12 hours a day, six days a week. That is changing. Even though better-paying factory jobs run only between $2 and $3 an hour, workers are feeling their oats and wages are rising fast. Soon, cheap and energetic labor alone will no longer give Korea an advantage. The nation's sudden lurch toward democracy last year greatly strengthened Korea's unions and unleashed workers' demands for a bigger piece of the Korean economic miracle. Manufacturing wages, more than double their level in 1980, rose 20% last year and will climb another 13% to 15% this year. As against this, however, South Korean productivity in manufacturing is also rising fast, last year jumping nearly 20%.

South Korea will need to continue pressing productivity gains for another reason: It cannot count much longer on having a cheap currency. Under pressure from Treasury Secretary James Baker, Korea's central bankers have boosted the won's value against the dollar by 20% since September 1985. The currency will probably appreciate between 15% and 20% this year.

Korea, in short, is in a bind. If its businessmen and workers relax, they will be overtaken by other fast-industrializing countries—India, China, Brazil, Thailand and the like. But for the Koreans to push ahead, they must compete even more fiercely with better-capitalized American and Japanese businessmen. Difficult choices either way.

Nowhere is Korea's response to these challenges seen more clearly than at Samsung Group. This is Korea's biggest and most profitable *chaebol,* or family-run conglomerate. The Samsung Group is, among other things, Korea's leading producer of consumer electronics, semiconductors, refined sugar and paper. Samsung leads the newly industrializing country's push into high technology. Since 1977 Samsung's consolidated revenues have expanded from $1.3 billion to $24 billion last year, equivalent to 20% of the country's GNP. Revenues will probably reach $30 billion this year.

Beyond the figures, Samsung is widely recognized as the best managed and best organized of the major

Rick Williams

HYUNDAI
HYUNDAI

All in one.
For one and all.
Color TV and VCR.
ViewMax

Jeffrey MacMillan

A Hyundai billboard going up in Austin, Tex. and a prominent Lucky-Goldstar product promotion in Los Angeles

Korea's sudden lurch into democracy last year strengthened unions, and the currency is rising at double-digit rates. Korea's manufacturers must push for better brand recognition if they are to protect and improve their profitability.

chaebols. It is facing the new challenges with the same stubborn determination that enabled it to win over the problems of underdevelopment and poverty.

As Chairman Lee puts the problem, during the highly inflationary 1970s "we put more emphasis on growth and size than on quality."

The numbers illustrate his point. Last year Samsung Group reported net profits of $293 million on its $24 billion in sales. That profit figure is probably understated, both for tax reasons and because profit is something of a bad word in Korea. Still, it provides some indication of the need to move into higher-margin products.

Says young Chairman Lee: "Since rising export prices are unavoidable, we are focusing on producing high-quality, high-value-added goods. The new company should be more quality- and profit-oriented. Unless you make profits, you can't invest in R&D and education."

Consider the group's Samsung Electronics Co., by far the biggest manufacturer in the Group. Founded in 1969, the company passed archrival Goldstar in 1984 to become Korea's leading electronics maker, registering sales of $3.2 billion last year. The vertically integrated manufacturer is centered in Suwon, a suburb of Seoul, where dozens of factories on a 370-acre site are connected by underground conveyor belts—efficient, even by Japanese standards. Acres of containers are piled up, a reminder that Samsung Electronics exports over 70% of its production.

Samsung Electronics grew by being a big supplier of color TVs, microwaves and VCRs to companies like GE, RCA, Sears and J.C. Penney, which put their own names on the equipment. Last year Samsung held about 13% of the U.S. VCR market and nearly 20% of the microwave oven business.

But companies other than Samsung have been making much of the profits on these goods. Ask your average American or European consumer what a Sony, Toshiba, Panasonic or Mitsubishi is, and the chances are excellent that he or she will know. Ask the same consumer about Samsung, Goldstar, Daewoo or Hyundai, and the likely response is a blank stare.

The Japanese, of course, have plowed billions of dollars of their trade surpluses back into advertising their products in the U.S. and, more recently, Europe and other parts of the world. The Koreans? Last year Samsung Electronics spent $20 million on advertising in the U.S. market, a figure that should grow by 20% this year. When it comes to marketing, the Koreans are still miles behind the Japanese. But they are learning.

"We have to have brand name recognition," agrees Lee. "The Olympics will be important to raising name recognition." An official Olympic sponsor, Samsung Electronics is sponsoring soccer matches in West Germany, putting up neon signs in Times Square and increasing ad outlays in attempting to become tomorrow's Panasonic or Sony. Last year 40% of electronics exports were under the Samsung brand name. The target for 1991 is 55%, when sales are projected at $7 billion.

This marketing orientation is relatively new for the Koreans. Over the years, Samsung has entered numerous joint ventures with American companies, including Hewlett-Packard, GE, Corning Glass, Amoco and Bell Helicopter. But old B.C. Lee visited the

U.S. only twice on business, most recently in 1982, when he received an honorary degree at Boston University, visited the grave of General Douglas MacArthur in Norfolk, Va. (a statue of MacArthur stands outside Lee's private art museum) and paid a courtesy call on H-P founders William Hewlett and David Packard.

Under B.C.'s son, Samsung will pay more direct attention to the U.S. market. But its management orientation will be Japanese, not American. When Samsung managers look for models, they look not to the U.S. or Europe but to Japan. Samsung Electronics, for example, strives to emulate Toshiba and Matsushita. Samsung Co., the Group's trading arm, looks at Sumitomo Corp., and so on. Last October, when Samsung opened its $150 million Advanced Institute of Technology, a groupwide basic research center, the model was Toshiba. You can see copies of Japan's *Nihon Keizai Shimbun* piled up in the lobbies of Samsung offices every morning.

That Samsung looks to Japan for inspiration is no accident. Born into a wealthy farm family in 1910, the year Japan's colonization of Korea began, B.C. Lee studied at Tokyo's Waseda University, where he later sent son K.H. Lee. He founded Samsung as a general trading store in 1938, to export fruit and dried fish to Japanese-occupied Manchuria. The elder Lee kept a second family—his mistress and their two children—in Tokyo, where he spent a few months every year meeting with industrialists, bankers, bureaucrats and journalists. While his Korean rivals, like the impulsive and authoritarian Chung Ju-yung, Hyundai's founder and chairman, would make quick strategic decisions, Lee would hop over to Tokyo to sound out friends like the founders of Matsushita and Honda. Recalls Rhee Pil-Gon, president of Samsung Co., the group's general trading company: "When he returned from Japan, he would gather directors of the relevant companies and tell them about his ideas."

What B.C. Lee studied most during his frequent visits to his mistress across the Sea of Japan was the way Japanese firms trained and treated their workers—what has since become popularized in this country as "Japanese management techniques." Lee, who sat in on every final interview of a managerial job applicant, was proud to say he spent 80% of his time selecting and cultivating personnel. In 1957 Samsung became the first *chaebol* to set up an open examination and recruitment system. This was enlightened self-interest: Lee, an educated man, understood that a meritocracy attracts top university graduates.

Father knew best

Samsung's late founder, B.C. Lee
A non-Confucian choice.

In the mid-1960s B.C. Lee's second son, Chang-hee, was implicated in a black market scandal surrounding imports for a fertilizer factory. Imprisoned for a while, Chang-hee left the Samsung Group and later established and built up Saehan Media, the world's largest videotape manufacturer. Lee's eldest son, considered incapable by the founder, exited the Group in 1971, the year Lee Kun-hee, the third son, then only 29, was designated the heir—highly unusual in this Confucian society.

K.H. Lee is still feeling his way. Seoul's rumor mill is filled with tales of dynastic struggle and family feuds. One story has it that the second son, Chang-hee, wants to return. Another theory holds that family shareholders will break companies off from the Group. And B.C. Lee's son by his Japanese mistress has recently moved from Japan to Seoul, where he now works for Cheil Sugar, one of Samsung Group's oldest companies.

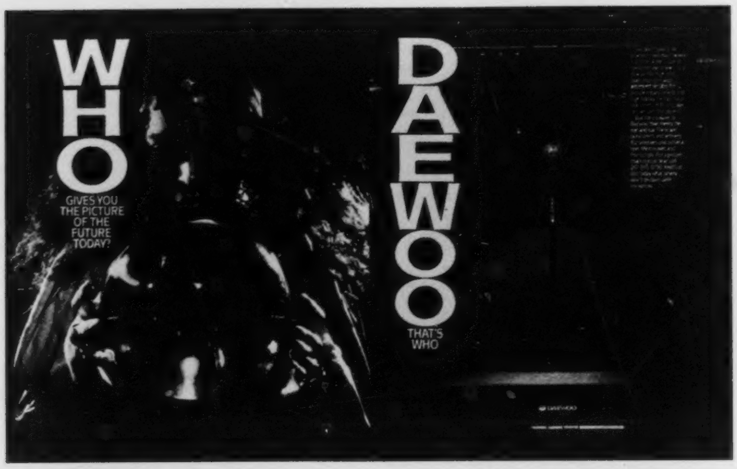
Over a Japanese lunch, K.H. Lee is surprisingly candid about the gossip and the skepticism. "There are a lot of apprehensions about me in the family and in the society," he says. "I don't think I have 100% [family] support. The fact that I'm here means I have more than 50% support."

Asked what he considers his greatest achievement, Lee chuckles and says: "I'm very proud that I could survive the last four months."—A.T.

From the beginning Samsung offered better wages, benefits and working conditions than its competitors. Lee hated unions, and Samsung remains the only major *chaebol* without a union. This paid off last summer: When strikes crippled many of Korea's largest enterprises, Samsung emerged from the labor unrest almost unscathed (the Group's only strike was at its shipbuilder, a company it acquired and the only Samsung firm losing money).

Loyal Samsung men are molded at Samsung Education & Training Center, a facility that is part boot camp, part business school and part indoctrination center. The model here is Matsushita. Every new employee must pass a 24-day course that stresses teamwork and the Samsung philosophy. The day begins at 5:50 a.m. with the company song and a jog, and lasts until 10 p.m. To ensure that workers don't develop excessively individualistic tendencies, Samsung employees are sent back for a few days every year for refresher courses. The center includes a language school offering English, Japanese and Chinese—in preparation for the day direct trade opens between Korea and China. Annual budget for the center: $22 million.

In this attention to the human dimension of production lies the key for all Korean manufacturers, as they continue the search for ways to wring more value from old products and add more value through the manufacture of new products. You cannot, after all, expect muscular but unskilled workers to operate numerically controlled production equipment, design microchips and advise on international marketing campaigns. Lee says Samsung will spend $120 million this year to automate existing factories and offices. "Our target," says Chung Dam, senior executive managing director of



From Daewoo's series of eye-grabbing print ads

In the first stages of their development, most Korean companies licensed (or otherwise obtained) technology from U.S. companies. But the U.S. companies have grown wiser, and few, if any, Korean businesses are counting on the earlier strategy to fuel the next stage of Korea's development. Most of the large companies are budgeting record amounts not only for marketing but for research and development as well.

Samsung Electronics, "is to have production lines like Matsushita's."

If Samsung has followed the Japanese in human relations, its management style is very much its own. At the top is the executive staff, or secretariat, under the Group chairman's office. The key to the Group's organization, the secretariat comprises an elite corps of 250 managers seconded from Group companies. The staff exercises financial controls and coordinates Group matters such as personnel, advertising, information flow, investment and corporate strategy.

Samsung's centralized administration is widely admired and often copied by rival *chaebols.*

Here's how a family member of one competing group describes Samsung: "They give full authority and power to each company, but they also have very strong control and checks and balances from the chairman's office." An official at another big *chaebol* says simply: "Samsung is the best organized. Their executive staff is superb."

In industrial strategy, the Samsung system took a leaf from the Japanese, moving gradually up the ladder of industrial complexity. In the 1950s Lee prospered by dominating cash-generating consumer necessities like sugar, wool textiles and flour in an impoverished nation. In the 1960s he entered paper, electronics, fertilizers, retailing and life insurance. In the 1970s and early 1980s, Lee drove ahead first into petrochemicals, hotels and construction, and then into semiconductors, computers, aerospace, genetic engineering and robots. Note that Samsung is much less concentrated in heavy industry than Hyundai or Daewoo.

Semiconductors were B.C. Lee's final pet project. Again taking a leaf from the Japanese, Samsung Semiconductor & Telecommunications targeted memory chips, and since 1984 has poured $875 million into its Kihung plant, set among hills overlooking rice paddies 40 miles south of Seoul. At first, the company sustained heavy losses in 64K DRAMs, but recently the market has firmed. Samsung has been a prime beneficiary of the U.S.-Japan semiconductor accord, which created shortages and boosted prices of memory chips.

In 1986 Samsung made Korea the third country in the world to mass-produce 256K DRAMs. Some in the chip industry were astonished. "You just don't establish 256K capability in less than a year," says George Cobbe, president of the Samsung/Hewlett-Packard joint venture to produce computers and electronic instruments. "That tells you how hard they work and how committed they are." Samsung Semiconductor & Telecommunications is currently making 7 million to 8 million 256K DRAMs a month, putting it neck-and-neck with NEC and Texas Instruments for the world lead. The firm began shipping 1-megabit chips in late 1987.

In the first stage of its development, Samsung, like most Korean companies, licensed (or otherwise obtained) technology from American companies. Today, however, few, if any, Korean businesses are counting on that strategy to propel the next stage of Korea's development.

"It's almost impossible to license technology now," complains Kang Jin-ku, president of Samsung Semiconductor & Telecommunications. Explains Chairman Lee: "Nowadays, Japanese and American companies—particularly in the high-tech fields—avoid technology transfers to preserve their monopolistic hold."

So here again Samsung and other Korean companies are earmarking record amounts of their revenues for research and development. Lee says the Samsung companies will spend a total of $430 million—3% of manufacturing sales—on R&D this year, up 30% from last year's spending. To tap American brains, Samsung operates a semiconductor design and pilot production plant in Santa Clara, Calif. The Group also pooled resources with the Korean government, Goldstar and Hyundai to develop a 4-megabit chip.

Results are already showing up. Cheil Sugar & Co., the Group's oldest manufacturer and Korea's largest food processor, is investing aggressively in genetic engineering and has opened a

Signs of the times

Here are Korea's 11 mightiest conglomerates, their chief executives and their 1987 revenues in billions of dollars.

Samsung	*Lee Kun-hee*	electronic products, textiles, food processing, insurance	**$24.0**
Hyundai	*Chung Se Yung*	autos, industrial machinery	**$22.7**
Daewoo	*Kim Woo-choong*	computer products, autos, financial services	**$16.0**
Lucky-Goldstar	*Koo Cha-kyung*	electronic and chemical products	**$16.0**
Sunkyong	*Chey Jong-hyon*	video and audio tapes, textiles, petroleum	**$7.3**
Ssangyong	*Kim Suk Won*	cement, autos, petroleum	**$4.8**
Hyosung	*Cho Suck-rai*	heavy industry, textile and building materials	**$3.9**
Korea Explosives	*Kim Seung Yun*	explosives, agricultural products, industrial machinery	**$3.9**
Hanjin	*Cho Choong Hoon*	transportation, construction, financial services	**$3.3**
Kia	*Min Kyung Jung*	cars, trucks, machine tools	**$2.4**
Lotte	*Shin Kyuk-ho*	confectionery, beverages, retailing, hotels	**$2.3**

Sources: Prudential-Bache; company reports

research laboratory in New Jersey. In the past two years Cheil has marketed an alpha interferon ointment for herpes and a beta interferon vaccine to prevent hepatitis B. The target is to raise pharmaceutical sales tenfold within five years, to $150 million.

Another big Samsung company, Cheil Synthetic Textiles, is faced with rising competition from China, Thailand and Pakistan. So it is diversifying into nonfiber businesses. The company was the first in Korea to develop polyester base film, the raw material for videotape, on its own. Now the firm's laboratories are working on the technology to produce color film and paper. This would make Cheil only the fifth major color film producer in the world, along with Kodak, Agfa, Fuji and Konica.

Samsung Aerospace Industries is also moving rapidly up the value-added ladder. Originally set up to service jet engines for the Korean and U.S. air forces, the company then became a manufacturer of components for the U.S. aircraft industry. This year SSA will be awarded a contract by the Korean government to produce General Dynamics' F-16 or McDonnell Douglas' F-18 under license.

If Samsung, Hyundai, Daewoo, Lucky-Goldstar and Korea's other big *chaebol (see table)* are to compete effectively against their rivals in the U.S., Europe and Japan, the *chaebol* themselves will have to cede much of their economic power to the smaller companies Korea needs. Korea's labor force is growing by around 500,000 a year; absorbing those workers efficiently requires not a few giant companies but thousands of well-financed smaller companies like BIF Korea *(see following story)*. To free bank capital for smaller companies, the government has pressured the *chaebol* family owners to raise capital by selling equity in their conglomerates' pieces to the Korean public. Thirteen companies in the Samsung Group have gone public, raising $100 million of equity last year alone.

As Korea's stock market grows, the Ministry of Finance will make the market more accessible to foreign investors. (For now, the only way for Americans to invest in Korea is through a few listed convertible issues, and the NYSE-traded Korea Fund and the London-traded Korea-Europe Fund, both trading at steep premiums to net asset values.)

Faced with determined, well-thought-out competition like that coming from Samsung and other South Korean companies, the U.S. clearly faces problems in reestablishing its industrial exports. The Koreans worry that the U.S. may become frustrated with the problem of closing its trade deficit and resort to protectionism. Lee Kun-hee knows this, and worries about it.

It was very much on his mind when he received FORBES in his ornately decorated, French-style drawing room next to his office on the 28th floor of the Samsung headquarters building in downtown Seoul. He opened with an hour-long sermon that he says is aimed at the American public. Sipping iced coffee and puffing Eighty-eight brand Korean cigarettes, Lee attacked the politicians attempting to solve trade disputes.

"One of the big problems facing the modern world is that the rapid change taking place in business hasn't been accompanied by commensurate change in politics," he stated through an interpreter. "What I'm really worried about is that if these issues aren't resolved, they will escalate into political struggle between the politicians of our two countries."

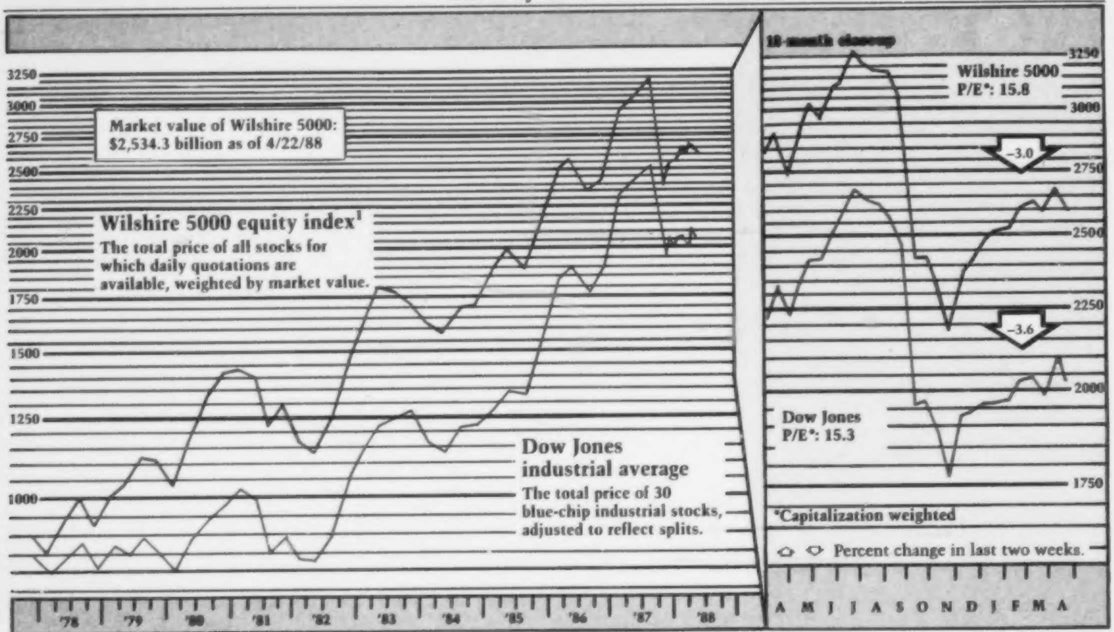
Can trade friction between the U.S. and Korea be kept from degenerating into protectionism and bitterness? Many signs are not encouraging. Despite oft-repeated promises by Korean bureaucrats and businessmen to learn from Japan's mistakes and better balance exports with imports, Korea's current account surplus hit a record $9.4 billion last year, double the level in 1986. The country's bilateral merchandise trade surplus against the U.S. has risen exponentially, from $300 million in 1982 to around $10 billion last year.

The Koreans are invading other major markets as well. The Japanese are importing Korean-made goods in record volumes. Last year, for the first time in recent memory, Korea's trade deficit with Japan actually shrank somewhat (to $5.2 billion). Korean exports to Europe, too, are surging, as is Korea's trade with China. From around $800 million now, Korean exports to China should grow to nearly $3 billion by 1991. As these and other markets for Korean manufactured goods develop, Korean exporters will no longer focus as heavily on the U.S. market.

No matter how one interprets the situation, it is glaringly and disturbingly clear that there is a new and clever player on the world industrial scene. "I have a dream," Lee says, "to build Samsung into a world-class company, a genuine multinational." Are our multinationals up to the challenge? That remains to be seen. ■

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Programmed volatility. Both the Dow and the Wilshire index hit postcrash highs Apr. 12. But two days later the Dow fell 101 points. During the last week of trading two 30-plus-point intraday gains on the Dow were wiped out.

Are those program arbitragers to blame? Maybe, although a good case can be made that to blame them is to blame the messenger. When sell orders pile into the Chicago S&P 500 pit, futures prices get out of alignment with the stocks back in New York. The arbitragers bring the trading back into alignment by buying futures and selling stocks. The culprits, if that is the word, are the people selling the futures, not the arbitragers.

At the final bell Apr. 22 the Dow was off 3.6% for the two weeks; the NYSE, 3.3%; the Amex, 0.8%; and Nasdaq, 2%. The Dow is now right where it closed on the first trading day in January. But the Dow is a rather unbalanced market indicator *(see story, p. 136)*. The more representative Wilshire index is up 3.8% since then.

Closeup On the Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	0.3	0.5	1.8	0.3	1.2	0.4
in last 52 weeks	−8.0	−8.0	−9.9	−7.7	−7.4	−9.4

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	−0.4	3.7	2.1	−0.1	0.9	1.6	0.3	4.0	2.1	1.7	−0.1	2.2
in last 52 weeks	−2.3	18.0	15.2	3.6	−4.4	−2.3	−1.4	21.5	15.1	4.4	0.5	15.2

[1] Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2] Based on sales. [3] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

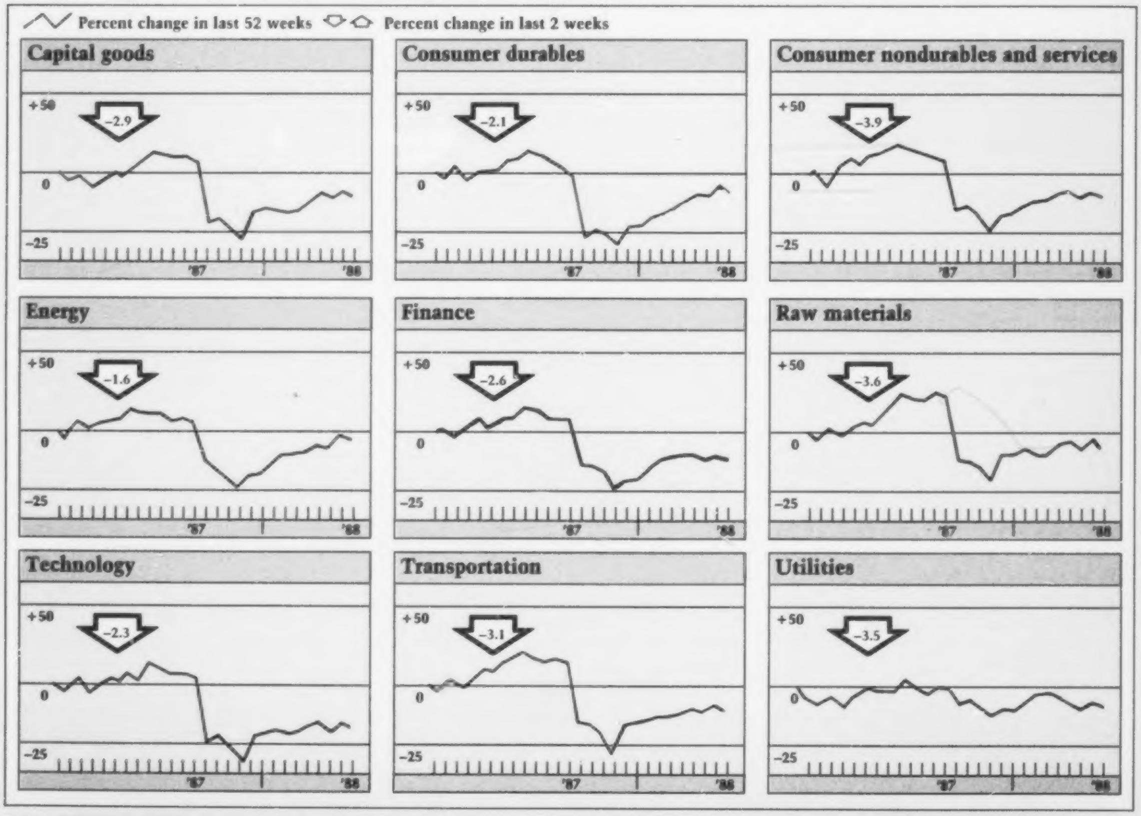
Note: All data for periods ending 4/22/88. Prepared by Wilshire Associates, Santa Monica, Calif.

Steven Ramos

Where the Action Is

Downdraft. The transportation group suffered a 3.1% loss over the two-week period. Texas Air, troubled by a special federal safety inspection, the prospect of financial strains and labor problems, dropped 12.5% in the last ten trading days. USAir Group fell 11.5%, while NWA was off 9%. But the market was friendlier to Trans World Airlines, which received a new buyout offer from its chairman, Carl Icahn, and rose 17.1%. AMR, parent of American Airlines, posted a 2.1% gain.

The prospect of higher oil prices helped energy stocks produce the largest four-week gain and the smallest two-week loss. Ocean Drilling & Exploration shows the best two-week result, a gain of 15.4%. Both Quaker State and Union Texas Petroleum Holdings rose nearly 10%.



What the Analysts Think

Stocks are not outrageous bargains, but the recent market decline coupled with a rise in many 1988 earnings estimates makes all nine Wilshire sectors look cheaper. Example: Consumer durables' market value fell 2.1% in two weeks, but the group's 1988 estimates rose 3.4% as its predicted 1988 P/E declined 7.9%, to 12.8.

Forecasting the Forbes Sales 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.55	14.7
1988 estimates	3.53	10.6
1989 estimates	3.91	9.7

Rank based on change in estimate	Sector	Estimated 1988 EPS	Estimated 1988 P/E	% change in 1988 estimate in 2 weeks	% change in 1988 estimate in 4 weeks
1	Consumer durables	$4.15	12.8	3.42%	5.02%
2	Raw materials	2.98	11.1	1.39	2.06
3	Transportation	2.44	11.3	0.60	0.93
4	Capital goods	2.53	14.6	0.59	1.12
5	Energy	2.82	13.9	0.07	–0.69
6	Consumer nondurables	2.54	12.8	–0.09	–0.15
7	Utilities	2.43	9.4	–0.35	–0.35
8	Technology	2.80	11.6	–0.46	–0.53
9	Finance	3.46	7.6	–0.79	–1.47

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continually by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 4/22/88. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

Statistical Spotlight

If next year's earnings for just 30 stocks come through as expected . . .

Could the Dow break 3000?

By Evan Sturza

It's an abacus in this day of high-speed computers, a lopsided and not very representative index. But habits die hard, and so the Dow Jones industrial average remains the best-known market barometer in spite of its statistical shortcomings. It isn't even a good proxy for the market. Its 30 stocks have a combined market capitalization of only $443 billion, or 17% of the entire market as measured by the inclusive Wilshire index. If those 30 stocks do well, investors will feel bullish even if the market as a whole isn't doing terribly well.

Could the Dow top 3000 by the end of next year? It's not an outlandish thought. Analysts are forecasting $208 in 1989 earnings for the index, so a P/E of 15 (which is where the market is now) would put the Dow over 3100. A P/E of 12 and a somewhat disappointing earnings total of only $190 would still leave the Dow at 2280 a year and a half from now. On a worst-case basis, with disappointing earnings and a P/E of only 9, the risk would be a modest 15% or so down.

The fact is, the bull market of the mid-1980s wasn't as much of a bull market as it might have appeared. In real (inflation-adjusted) terms, the Dow would be at 2770 already if it were to equal its high at the end of 1972 *(see chart below)*.

Unlike more modern market indexes, the Dow is price-weighted. A $50 stock moves it twice as fast as a $25 stock. A 10% gain in Woolworth (recent close, 54⅛), for example, would push the average up 7.2 points, while a 10% gain in AT&T (26½) would push it up only half as far. But in market capitalization, AT&T is eight times as weighty as Woolworth.

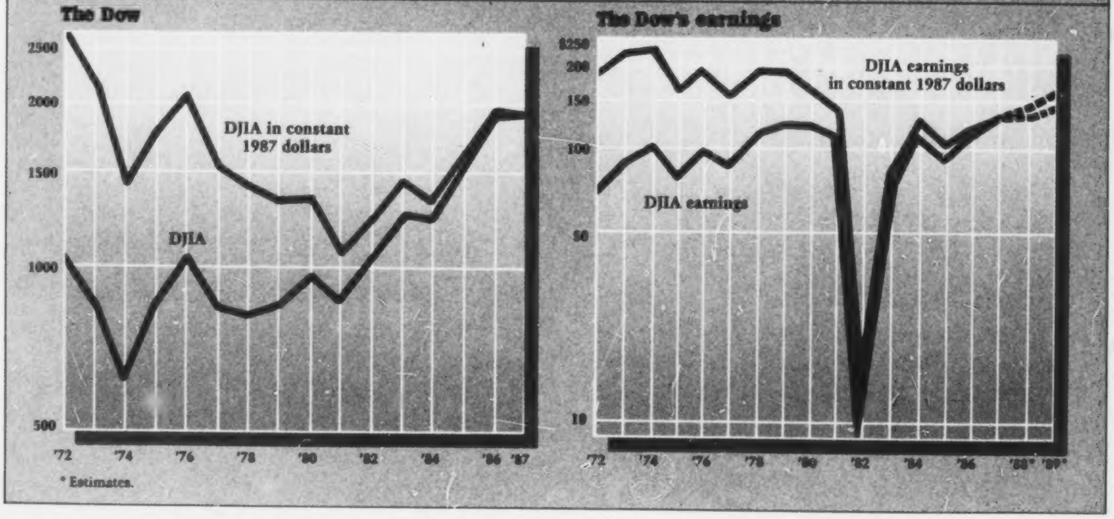
The Wilshire index, covering 5,700 issues, is capitalization-weighted. In it, AT&T counts eight times as heavily as Woolworth. So, too, in Standard & Poor's index of 500 stocks.

In short, people who are asking where the market will go and define the answer in terms of the Dow should be paying unusual attention to Woolworth's earnings, even though this retailer is no longer a big force in the economy. Analysts, as it happens, are expecting a 14% gain in Woolworth's earnings this year and another 13% in 1989.

What's the outlook for the whole

The crash of the Dow

To most people, the crash was on Oct. 19. But these charts take a long view, using year-end closes that make 1987 into a flat year. Figure in inflation, however, and a different crash surfaces—a ten-year crash from 1972 to 1982. But then, in real terms, the Dow's earnings are only now catching up to where they were in 1972.



* Estimates.

basket of 30 stocks? Pretty good, if consensus forecasts from the Institutional Brokers Estimate System are on target *(see table below)*. They predict that earnings on the Dow will jump nearly 43%, to $189, this year. But there's less to that improvement than meets the eye. In 1987 the Dow was hurt by Texaco's $18.15 loss. An average 18.7% increase is expected for the remaining 29 stocks.

Dow watchers should also be very unhappy that Merck is splitting its stock 3-for-1. Merck has excellent earnings prospects, but the split will reduce the favorable impact of Merck's earnings gains on the composite earnings for the Dow index. Why? Before the split, Merck was trading at 157 and carried three times the weight of Woolworth. After the split, it will have Woolworth's weight.

Although it will reduce Merck's future influence on the average, the split won't cause the Dow to take a hit on the day it takes place. That's because the price average is adjusted after every split. When Charles Dow started his industrial average of 11 stocks in 1884 he simply added up the prices of all 11 issues and divided it by 11. That divisor has changed over the years every time the index gained or lost a stock or a stock had a split. In 1928, when the list was expanded to its current size of 30, the divisor became 16.02; it is now 0.754. Thus, the 1988 Dow close for Apr. 20 shown in the table is the sum of the prices shown divided by 0.754.

What's the bottom line? That the Dow is more of a symbol than a yardstick. And that as a symbol it is not as overpriced as it may look. ■

Dow earnings look good

Analysts are predicting an 18.7% increase in 1988 earnings for the Dow industrials (not counting Texaco). For 1989, earnings are supposed to hit $208, which would keep the Dow comfortably above 2000, if only the price/earnings multiple comes in at 10 or better. The Dow is currently trading at 15 times trailing earnings.

	Price			Earnings			% change EPS		P/E		
		5 year		1987	1988	1989	1988/87	1989/88	1987	1989	
Company	Recent	high	low	actual	est	est	est	est	actual	est	Yield
Allied-Signal	30¾	55–	26	$3.55	$2.99	$3.32	–16%	11%	9	9	5.8%
Alcoa	45⅜	65–	30	2.52	5.36	5.75	113	7	18	8	2.6
American Express	24	41–	13	1.20	2.72	3.20	127	18	20	8	3.2
AT&T	26½	36–	15*	1.88	2.14	2.39	14	12	14	11	4.5
Bethlehem Steel	19⅞	30–	5	1.48	3.30	3.92	123	19	13	5	0.0
Boeing	45	65–	24	3.10	3.59	5.44	16	52	15	8	3.1
Chevron	45⅞	65–	29	2.94	3.35	3.76	14	12	16	12	5.2
Coca-Cola	37	53–	15	2.43	2.76	3.19	14	16	15	12	3.2
Du Pont	82⅞	131–	45	7.39	8.13	8.59	10	6	11	10	4.1
Eastman Kodak	40	71–	27	3.52	4.05	4.51	15	11	11	9	4.5
Exxon	41⅞	51–	16	3.43	3.61	3.83	5	6	12	11	4.8
General Electric	39¼	66–	23	2.33	3.67	4.08	58	11	17	10	3.6
General Motors	72¼	94–	50	10.06	9.32	7.49	–7	–20	7	10	6.9
Goodyear	62½	77–	23	12.73	8.26	8.38	–35	1	5	7	2.6
IBM	112⅞	176–	99	8.72	9.83	11.06	13	13	13	10	3.9
Intl Paper	42⅝	58–	22	3.68	4.99	5.07	36	2	12	8	2.8
McDonald's	41½	61–	17	2.89	3.42	3.91	18	14	14	11	1.2
Merck	157½	223–	39	6.68	8.54	10.57	28	24	24	15	2.4
Minn Mining & Mfg	58⅞	84–	35	4.02	4.66	5.09	16	9	15	12	3.6
Navistar Intl	6¼	15–	4	0.50	0.77	0.84	54	9	13	7	0.0
Philip Morris	86¼	125–	28	7.75	9.85	11.96	27	21	11	7	4.2
Primerica	26	54–	19	3.35	3.57	3.65	7	2	8	7	6.2
Procter & Gamble	76¼	104–	46	1.87	5.88	6.67	214	13	41	11	3.7
Sears, Roebuck	34¾	60–	26	3.95	4.62	4.92	17	6	9	7	5.8
Texaco	46⅝	51–	24	–18.15	2.55	3.08	NM	21	NM	15	6.4
USX	31⅜	39–	15	0.49	2.60	2.90	431	12	64	11	3.8
Union Carbide	22⅞	33–	11	1.76	2.74	3.04	56	11	13	8	6.6
United Technology	38⅛	61–	29	4.52	4.97	5.42	10	9	8	7	3.7
Westinghouse	50	75–	21	5.12	5.67	6.02	11	6	10	8	3.4
F.W. Woolworth	54⅛	60–	15	3.81	4.33	4.88	14	13	14	11	2.4
Average/total	1988†	2890–1049†		$131.99	$188.65	$208.13	43%	10%	15	11	3.8%

*Range less than 5 years. †Dow Jones industrial average.

Source: IBES, a Service of Lynch, Jones & Ryan via MicroScan from Lotus CD Investment.

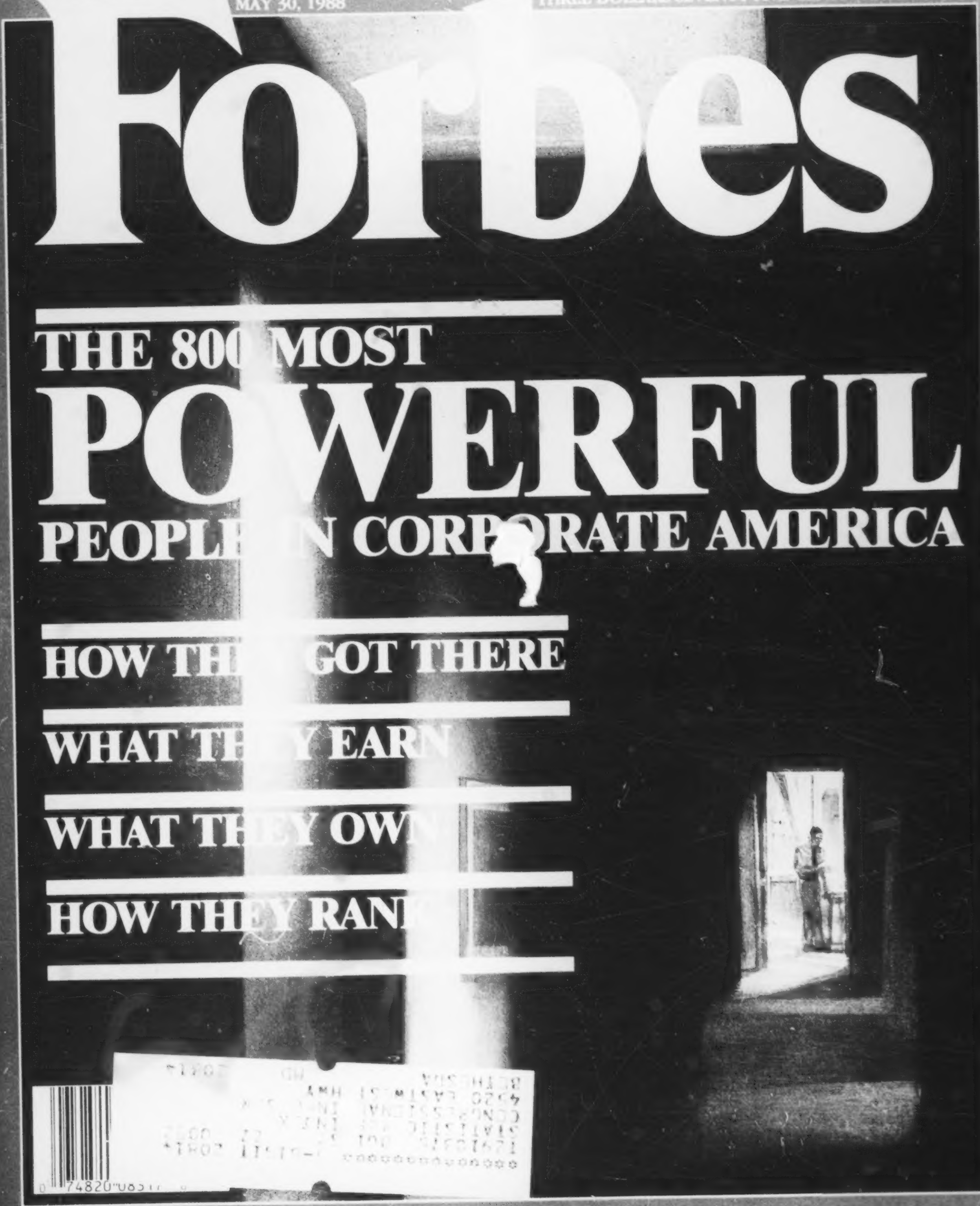
NEW STRATEGIES IN CORPORATE LEADERSHIP

THE EXTRAORDINARY SWAROVSKIS—RHINESTONE BILLIONAIRES

MAY 30, 1988

THREE DOLLARS SEVENTY-FIVE CENTS

Forbes



THE 800 MOST POWERFUL PEOPLE IN CORPORATE AMERICA

HOW THEY GOT THERE

WHAT THEY EARN

WHAT THEY OWN

HOW THEY RANK

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STATISTIC [illegible] INDEX
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Forbes

Cover illustration by Mangal

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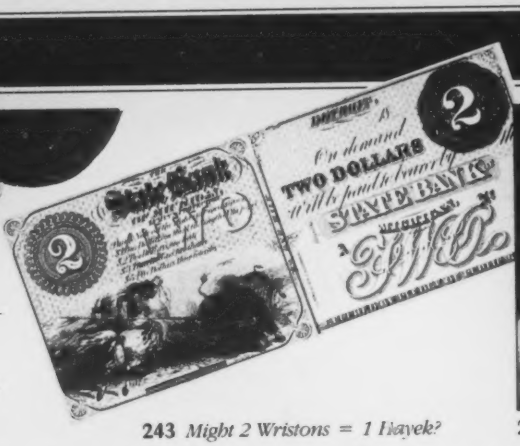

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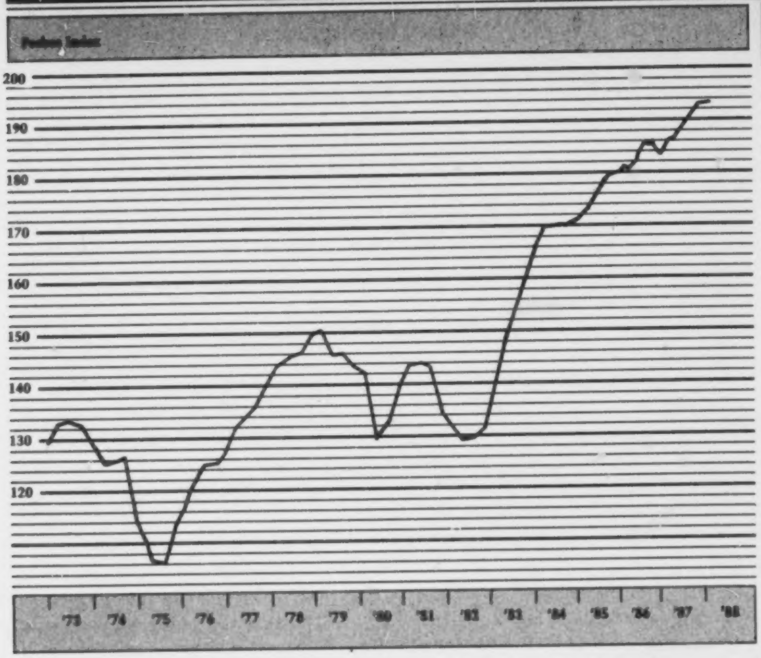
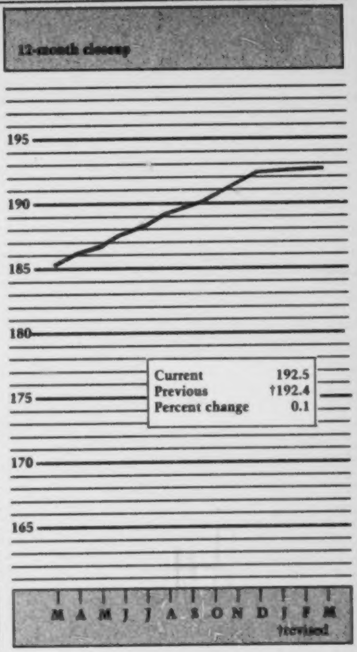
The Forbes Index


Forbes Index


12-month closeup

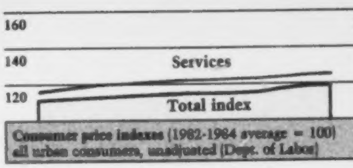
Walking softly. Starting off the second quarter, the Forbes Index stands just 0.2% above its year-end-1987 level. But with six of eight components showing improvement since 1987, the index reflects an economy that still has room for growth. New unemployment claims have declined for two straight months, while the unemployment rate for April, 5.4%, is the lowest since 1974.

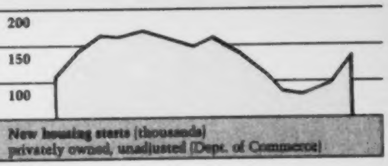
Manufacturers' inventories have climbed for nine months in a row, but orders for manufactured goods remain healthy. March orders of $115.5 billion are second only to last December's $115.6 billion record. Less comforting is the fact that consumer installment credit, up 0.7% in March, continues to rise faster than personal income.

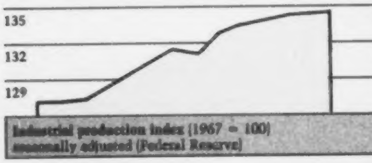
The Forbes Index Components

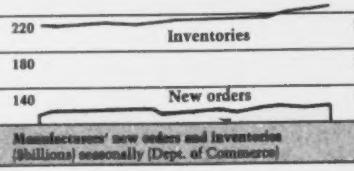
The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

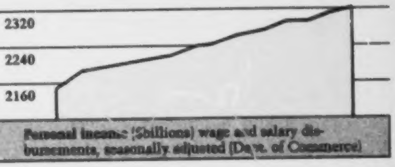
To measure these eight elements, Forbes monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.

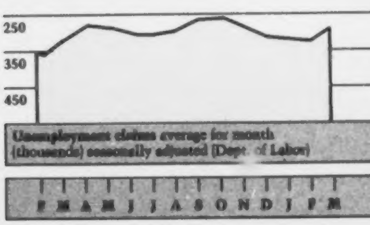

Consumer price indexes (1982-1984 average = 100) all urban consumers, unadjusted (Dept. of Labor)

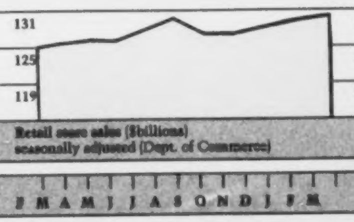

New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)

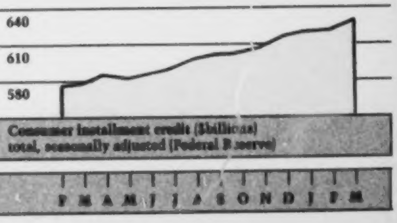

Industrial production index (1967 = 100) seasonally adjusted (Federal Reserve)


Manufacturers' new orders and inventories ($billions) seasonally (Dept. of Commerce)


Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)


Unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)


Retail store sales ($billions) seasonally adjusted (Dept. of Commerce)


Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

FORBES ANNUAL SURVEY OF THE MOST
POWERFUL
PEOPLE IN CORPORATE AMERICA

NOT SO LONELY AT THE TOP
How today's most powerful executives manage
Page 120

THE TOP 50
Personal reflections from the men who
run the country's largest corporations
Page 124

RANKING THE 800
Salaries, bonuses, stock holdings,
educational backgrounds and more
Page 154

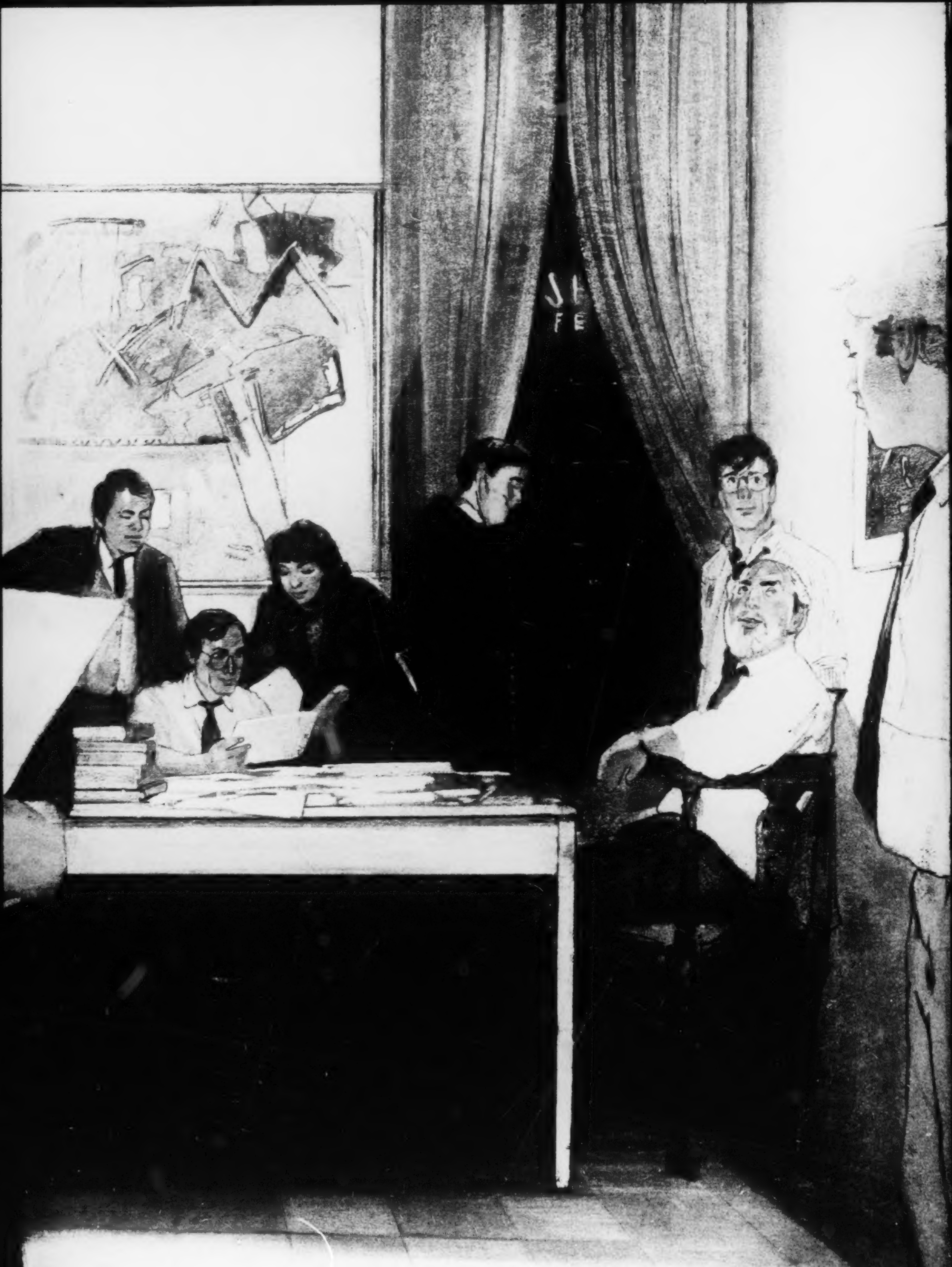
Executives who run the U.S.' biggest companies have embraced a lesson that Mikhail Gorbachev is struggling to put across in the Soviet Union: that the most efficient way to wield power is to democratize it.

Not power but empower

Hearken to what the most powerful people in corporate America think about the power they wield:

Kenneth Olsen of Digital Equipment: "I've got no power. All I can do is encourage people, motivate people to do things. I've got no power over them."

Edward Brennan of Sears, Roebuck: "I understand the responsibility and I understand the authority, but when you say 'powerful' I turn my head and think you must be talking about somebody else. The person who heads the company doesn't sit in an office and spew out decisions. [They are] the result of a great deal of input and discussion from a variety of people."



Donald Petersen of Ford: "If you're looking for a word that we live by, to me that word is 'teamwork.' "

According to *Webster's Ninth New Collegiate Dictionary*, power is "(1) possession of control, authority, or influence over others; (2) ability to act or produce an effect." Yet with very few exceptions, executives strongly resist having the word applied to them. Why so? More is involved here than simply democratic modesty. The term "power" has today acquired a pejorative meaning—tyranny, arbitrariness, working one's will upon others. This popular meaning is at odds with the requirements for successful business leadership. The boss who rules by whim or acts out of personal prejudices is almost certain to fail in this fast-changing, complex society. It is this meaning of the term "power" that top executives resist.

Time after time, in talking with these corporate leaders, FORBES heard the word "we" in describing the management of their companies. It was not the royal or the editorial "we," but the collective "we" of teams and partnerships. These executives reached reflexively for words like "participatory management," "collegiality" and "consensus-building" to describe what they do.

Not hypocritical modesty but hardheadedness is involved here. Chief executives see the formulation of overall competitive strategy as their most important role. But even this is not derived in a vacuum. "The vision is certainly not the product of any one individual's mind," says IBM's John Akers. "I think it's more the product of a collection of minds—my colleagues immediately around me, the 6 to 20 people who collectively help manage."

Why, then, have a chief executive at all? Replies Akers: "In the final analysis one individual has to articulate [the strategy]." Kenneth Olsen has a similar response: "My job is to make sure that we have a strategy. It doesn't have to be my invention."

To the financial reporter as corporate pathologist, this careful but definite retreat from a crude interpretation of "power" is a positive sign for American industry. Our authority is no less than Adam Smith himself, who taught us that the market, as distinct from a single source, gives off more reliable signals than any single individual or small collection of individuals can. By the same token, the wise chief executive not only listens carefully to what his organization is saying but also goes to great lengths to make sure the voices are neither stilled nor distorted by fear. The current sickness of the Soviet economy is but the most obvious example of what happens when a small group of people exercise power over a whole society. Powerful, charismatic individuals are often useful in building companies, or economies. But as organizations grow and become more complex, the problems they face and the solutions to those problems are also more complex. The invisible hand generally works better than the heavy hand.

Listen to American Express' James Robinson III, who believes that fostering participation, consultation and consensus-building actively promotes the health of corporations as well as economies: "The problem with excessive autocracy is that it breeds mediocrity down in and through the corporation. The more participatory you are, the more people have a chance to be full and aggressive team members."

Or listen to John Smale, chairman of Procter & Gamble: "There is power that comes with the position, but executing that power is not a unilateral kind of thing. You manage a business together with other people. There has recently been a change to a more democratic approach of managing."

What has sparked this apparent outbreak of corporate democracy? Largely, changes in the competitive environment and in the work force. Today's corporate leaders know that merely issuing orders won't do. Don Petersen says it succinctly: "You cannot use power to demand loyalty."

The buck—still—stops here

John S. Reed, 49, has been the chairman and chief executive officer of $204 billion (assets) Citicorp since Sept. 1, 1984. Reed doesn't disagree that a chief executive must listen and consult as well as command. But, unlike many of his peers, he doesn't play down the authoritarian nature of the job.

FORBES: How much "power"—defined however you want—does a chief executive really have?
Reed: With regard to both direction and style, a tremendous amount. Chief executives are given the responsibility to run the company, and there's a tremendous latitude as to how the company can be run.

Is decision making more participatory and more open nowadays?
I don't have any reason to believe that the exercise of power on the part of the chief executive within a company is particularly more participatory today as compared with before. . . . It's the same as it always was. You know that the exercise of power requires that you make decisions, and they need not always be consensus decisions.

You want to hear what your colleagues say about a certain subject, but I sure as hell don't take votes. I listen. I'm aware of different points of view. I'm influenced by those different views. I would be foolish, stupid and uninformed not to have the benefit of their judgment and their advice on issues. But I don't think that, in the exercise of my responsibilities to the stockholders, I'm asked to choose a consensus of my immediate colleagues in making decisions.

Is it lonely at the top?
On some issues, yeah, it sure is. When I was in junior-level positions and used to interact with people who were at the top of the organization, there was no way that I felt the full burden of the responsibility. I might have an opinion on the issue that was being discussed, maybe even a strong opinion, but now, being in the top position, I can tell you it's a hell of a lot different when you have the actual responsibility, and in that sense it's a singular job—lonely if you want.

Now, that doesn't mean that it must be personally lonely or that you can't have friends with whom you share concerns or worries or what have you, which

Smale and Robinson are not advocating the kind of faceless bureaucracy, the rule-by-the-book that paralyzed so many U.S. companies in the recent past—and paralyzes some yet. They are rather advocating a kind of organizational organism where feedback of ideas and information flows freely from bottom to top and back down again. If the ideal is not easily attained, it is nonetheless a valid one for today's world. Note, as you read the stories of the men who run the country's 50 largest companies *(see p. 124)*, how many talk of abilities and inabilities to manage people as the key to corporate success.

The idea is hardly new. Peter Drucker wrote, in 1946, in *Concept of the Corporation*, that "any institution has to be organized so as to bring out talents and capacities within the organization; to encourage men to take the initiative, give them a chance to show what they can do, and a scope within which to grow." And long before Drucker, Adam Smith and other thinkers of the Scottish Enlightenment understood that economic growth would be harvested from millions of people doing their own things (or at least *thinking* they were doing their own things) rather than from a handful of kings and their revenue agents. General Electric's John Welch sounds like he has been rereading *The Wealth of Nations* when he says, with some passion:

"We have found what we believe is the distilled essence of competitiveness. It is the reservoir of talent and creativity and energy that can be found in each of our [302,000] people. That essence is liberated when we make people believe that what they think and do is important—and then get out of their way while they do it."

In today's intensely competitive environment, smart executives like Zane Barnes, of Southwestern Bell, are taking Adam Smith's and Peter Drucker's observations to new lengths. Says Barnes: "My personal view of power is that it's my job as chief executive officer to empower those around me."

In order to "empower" their subordinates, many chief executives are consciously pushing decision making ever further down in the corporate hierarchy. The pyramid's apex, in effect, is moving down into the base. Ford's Donald Petersen—mentioned by several of our Top 50 executives as a businessman they admire and are learning from—says that Ford has turned to "participative management" and is pushing decision-making authority "as far down in the organization as we think we possibly can, on the very sound principle that the further down you get, the closer you're getting to where there's true knowledge about the issue." If that sounds suspiciously like Japan's famous up-from-the-shop-floor approach, Petersen makes no apologies.

But the buck still stops somewhere. Isn't it still the chief executive's job to make the final decision? A few—like Citicorp's John Reed *(see box)*—think so, but most chief executives play down the incidence of classic "lonely at the top" decisions. Several implied to Forbes that such solitary decisions are indications of a management failure, of corporate ill-health.

"If you've got a system where there's constant interaction, constant openness to the big issues in a constructive way, it doesn't get to that," says General Electric's John Welch. DEC's Olsen adds: "Normally, the conclusions are very obvious, and I don't have to take part. Theoretically, when there's a tie, or nothing happens, I'll make a decision, but I can't remember that ever happening."

Olsen—along with most of the executives Forbes interviewed—almost certainly understates the influence of his own style and personality on the business. But this springs not from self-delusion but from a thoroughgoing self-identification with the goals of the business. Allen Jacobson, 3M's chief executive, expresses a real insight into executive power when he observes, "I guess if you're doing it right, you don't feel like you're wielding power."—**Ronald Bailey**

obviously breaks the notion of loneliness. But it is a singular responsibility. And it can't be shared. You can't weigh the votes of your five colleagues. You listen to them, but then you basically have to do what you think is proper. There are times when you sort of say, "Goddamn it, I'm stuck and I've got to make this decision." There's no place to run. You can't call someone and say, "What do you want to do?"—R.B.

David Burnett/Contact

Citicorp's John S. Reed

The Top 50

IN SPITE OF WHAT a lot of people think, U.S. business is not faceless. It is run by real human beings, whose personalities inevitably influence the way their companies do business—and how well their companies do. As a companion issue to our number-packed Forbes 500s *(Apr. 25)*, this issue concentrates on the names behind the numbers.

We asked 50 chief executives questions about themselves and their careers. How did we pick the 50? Using a blend of the criteria used in our 500s issue, we chose the 50 largest companies—as measured not by sales alone but by a combination of sales, profits, assets and market value.

We asked the chief executives of these 50: What do they consider their greatest career achievements? What were their most vital career decisions? Their greatest mistakes? Which businessmen do they admire? What do they read? What do they do in their spare time?

The great majority of the 50 responded generously with time and candor. The summaries that follow make fascinating and important reading for other business people and for investors. The interviews were conducted by FORBES staffers Ronald Bailey, Vicki Contavespi, Kathleen Healy, Fleming Meeks and Dana Wechsler. The dollar figure is the executive's total 1987 compensation. The percentage figure represents the change in the company's market value over the last five years, except for the telephone companies created from the Bell system breakup. Their stock market value changes (noted with an asterisk) cover only the latest four years.

Here, the human face of capitalism.

Edward L. Addison

Southern Co.
$554,000
Stock price change 99%

Greatest career achievement: pulling together Southern Co.'s seven operating subsidiaries. "I think our system has a better focus. It's allowing us to do a better job of strategic planning because we're working closer together."

Biggest career mistake: "I don't want to be specific, but I've learned to follow my instincts a lot closer now. When I get the inclination that I want to do something, I do it."

Most admired business leader: "I can't answer that. That's something I've never given any thought to."

Last book read: *Lincoln: A Novel* by Gore Vidal, but notes: "I don't read a lot of books, and I read very few management books." Enjoys Chivas Regal and water. Drives a 1986 Jeep Wagoneer. Plays some golf. "I'm spread pretty thin. I don't do nearly as much as I'd like to."

Presidential preference: George Bush.

John F. Akers

IBM
$841,000
Stock price change –4%

Louis Psihoyos

Most admired business leaders: "The business leaders I have known the best have been my four predecessors—Watson, Learson, Cary and Opel. I went to school on all of them, each one was very different, and I admired them all very much."

Greatest career achievement: "I hope that it hasn't happened yet! If things proceed well, I ought to have this job for another six years or so. I would hope that I could leave the IBM company in as good a shape as my predecessors left it as they stepped down. That's my goal."

Most important career decision: coming to New York City as a sales manager. "It opened up a lot of doors for me and tested me in a pretty tough environment."

Drives a ten-year-old Mercedes sedan. Has homes in Westport, Conn. and in Nantucket. Plays golf, tennis; skis. Reads "a lot" of books, recently Clyde Prestowitz Jr.'s *Trading Places*, Paul Kennedy's *Rise and Fall of the Great Powers*, Tom Wolfe's *Bonfire of the Vanities*, biographies of great leaders, Tom Clancy novels. Favorite drink: a glass of wine. On the board of governors of the United Way of America; member, advisory boards of Yale School of Organization & Management, California Institute of Technology.

Presidential preference and prediction: George Bush.

Robert Allen

AT&T
$1,080,000
Stock price change 85%*

Most admired business leaders: Don Petersen, for "turning around Ford Motor to meet the competitive thrust of foreign producers," and American Express' Jim Robinson, "for his business leadership in the political environment."

Greatest career achievement: "As-

---

* *Four-year change*

sisting AT&T in making the conversion from a monopoly to a competitive enterprise during radical change in the industry."

Most important career move: "Returning to AT&T from Bell Atlantic, just prior to Bell System breakup."

Likes vodka on the rocks, drives a Cadillac and a Jaguar, golfs, jogs, swims, gardens. Second home in Golf, Fla. Last book read: Robert Ludlum's *Bourne Supremacy.* Most important books read: several management books, mostly by Peter Drucker and Michael Porter.

Presidential prediction: none.

Joseph E. Antonini

K mart Corp.
$1,672,000
Stock price change 60%

Greatest career achievement: repositioning the merchandising of K mart apparel in relation to the total corporate sales and profit program.

Most important career decision: moving the Jaclyn Smith line of clothes into K mart. "We spent about $25 million on that before the first garment was sold. I was kind of standing out there alone."

Biggest career mistake: "I don't want to be specific on that, but the biggest thing in business is you can't take anything for granted. When you do, you most likely get burnt."

Second home in Naples, Fla. Drives a 1987 Cadillac Elegance, plays golf; volunteer work for Michigan Cancer Society, Hospice Foundation. Enjoys red wines. Most important book read: Tom Peters' *In Search of Excellence.* Last book read: Tom Peters' *Thriving on Chaos.*

Rand Araskog

ITT Corp.
$3,032,000
Stock price change 16%

Andrew Popper/Picture Group

Most admired business leader: Harold Geneen, in his first 12 years heading ITT. "The last four years rather sullied what had been, until 1971, a fantastic performance."

Greatest career achievement: transferring ITT's telecommunications manufacturing operations to Alcatel in 1986. "That's the single thing that turned ITT into a financially strong company."

Biggest career mistake: not proposing to reduce the dividend in 1979, after the first quarterly loss in ITT's history. "You have to be willing to buck popular sentiment."

Most important career decision: leaving Honeywell to join ITT in 1966. "I didn't get a job I thought I deserved. It hurt."

Drives a 1980 Chrysler LeBaron and a 1984 Cadillac; on order is a BMW 750iL. Second homes in Southampton, N.Y. and Palm Coast, Fla. Plays golf, swims, drinks scotch and soda in Europe, a Bloody Mary or martini here ("Don't ask me to explain"). Last book read: *1999 Victory Without War* by Richard Nixon.

Served on Robert Dole's central finance committee, now supports George Bush, is "fascinated" by Mario Cuomo.

Zane E. Barnes

Southwestern Bell Corp.
$1,320,000
Stock price change 87%*

Most admired businessman: Lyman Thayer, division manager of Ohio Bell, now dead. "I think he probably had as much impact on changing my attitude toward looking at the people side of the business as anyone."

Greatest career achievement: expanding the business after divestiture; buying Metromedia's cellular phone operations.

Most important career move: leaving, 1973, Pacific Northwest Bell "where I had been quite happy as president and had strong ties to the community," to become head of Southwestern Bell.

Biggest career mistake: "Early on, I probably had less sensitivity and less insight into the value of interpersonal relationships in accomplishing objectives."

Drives a 1987 Cadillac Eldorado, likes scotch, plays golf and tennis. Last book read: *Treasure* by Clive Cussler. Most important book read: the works of Freud. President of the local United Negro College Fund, president of St. Louis Variety Club.

Presidential preference: George Bush.

Thomas E. Bolger

Bell Atlantic Corp.
$1,285,000
Stock price change 100% *

Business leader most admired: "Don Petersen of Ford, because he has initiated the basics for building a whole new corporation, and on the basis of survival in the competitive marketplace."

Greatest achievement: "Bringing a very large corporation into being in a rapidly changing and competitive industry."

Greatest career lesson: "I have learned that on a regular basis, one must somehow find a way to communicate down through the lines of

Dan Miller/Woodfin Camp

the organization."

Most important career decision: "Leaving AT&T at the time that I did [1983] and taking on the job of fashioning this new corporation."

Most important books read: *Practice of Management, The New Society, Managing in Turbulent Times*, all by Peter Drucker. Last book read: Robert Ludlum's *Scarlatti Inheritance.*

Drives 1980 and 1987 Cadillac Fleetwood Broughams and a 1987 BMW 735. Homes in Bethesda, Md.; Philadelphia; northern Minnesota; Naples, Fla.

Likes golf, fly-fishing; drinks Cutty Sark, Diet Slice with lime. Former board member of United Way of Metropolitan Washington.

Presidential preference/prediction: No comment.

Edward A. Brennan

Sears, Roebuck & Co.
$1,994,000
Stock price change –6%

Biggest career achievement: "I would most like to be remembered for managing the complexities of change in today's environment, and still keeping the fabric of Sears intact. One must be alert and responsive to change, but not tear the fabric. I think we've made a tremendous number of changes in the last several years, and done it with compassion and with responsibility."

Biggest career mistake/lesson: "I guess I make so many mistakes every day that it's hard to put my finger on one. You do try to learn from them, and hopefully I have."

Rob Nelson/Picture Group

Most important career decision: "Joining Sears. I had worked for another retailer through college and after I graduated and I made the decision, in 1956, to join Sears. I wanted a career in retailing, and I felt that if I were going to go into a field I should go with the best, and that's simply why I joined Sears."

Drives "old cars. I don't mean antique cars, I just mean cars that have a few miles on them." Plays "a little golf and a little tennis." Has homes in Chicago and in Jacksonville, Fla. Last book read: *Pentagon* by Allen Drury. Most important book read: Ayn Rand's *Atlas Shrugged.* Chairman elect of the United Way of America Board of Governors.

Presidential prediction: George Bush.

Edward Budd

Travelers Corp.
$924,000
Stock price change 25%

NYT Pictures

Declined to be interviewed. Joined Travelers in 1955, after college. In 1983, under Budd's authority, Travelers became the first insurance company to venture into the world of cash management accounts, selling them through its network of over 10,000 independent insurance agents. The program was discontinued in the spring of 1988.

Charitable activities include Hartford Hospital and St. Francis Hospital; member of corporate board of American School for the Deaf; board of directors for Institute of Living. Fellow of the Casualty Actuarial Society; member American Academy of Actuaries; chairman of the American Insurance Association. Member of the New York Athletic Club and the Hartford Golf Club.

James E. Burke

Johnson & Johnson
$1,282,000
Stock price change 42%

John Olsen/Gamma-Liaison

Most admired business leader: General Johnson, J&J's chairman from 1932 to 1963, "for his early understanding of business' responsibility to society."

Greatest career achievement: institutionalizing General Johnson's credo of values at J&J. "It starts with our customers, then employees, puts the stockholders last. So when you get into the Tylenol tragedies, you think through the priorities in terms of serving society."

Biggest career mistake: "Getting us into businesses we didn't know how to manage, notably the acquisition of—I don't even like to use the word anymore—Technicare."

Most important career decision: leaving J&J after only one year because it wasn't "nearly as aggressive as it needed to be. I was asked to come back with recommendations on how the company could be more innovative and was able to make changes I couldn't have made otherwise."

An "aggressively mediocre" skier, tennis player. Member of White House Conference for a Drug-free America and the President's Advisory Committee on Trade Relations. Currently reading Mikhail Gorbachev's *Perestroika.*

Presidential preference: "Bush, but it's going to be close."

Colby Chandler

Eastman Kodak Co.
$1,067,000
Stock price change –6%

Most admired business leader: "George Eastman. His thinking would be fresh today."

Greatest career achievement: "Building a team here at Kodak that

Bob Mahoney/Picture Group

managed the restructuring of the company."

Biggest career mistakes: "Not studying enough liberal arts and classics" and "not moving fast enough." Most important career decisions: "The decision to come to Kodak" and "joining the Marine Corps."

Farms 150 acres outside Rochester ("Farming is my thing"). Also enjoys antiques, woodworking, photography. Works with United Way; United Negro College Fund National Board; National Organization on Disability; National 4-H Council; chairman of the President's Export Council; on four college boards and a museum board. Favorite drink: "Root beer, especially what I make myself." Drives Fords.

Last book read: *Manufacturing Matters* by Stephen Cohen and John Zysman. Most important books: *Presidential Power* by Richard Neustadt, and Mark Twain's *Huckleberry Finn*.

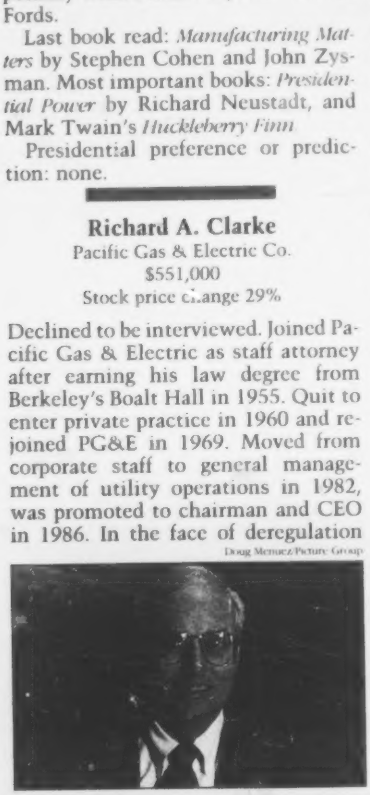
Presidential preference or prediction: none.

Richard A. Clarke

Pacific Gas & Electric Co.
$551,000
Stock price change 29%

Declined to be interviewed. Joined Pacific Gas & Electric as staff attorney after earning his law degree from Berkeley's Boalt Hall in 1955. Quit to enter private practice in 1960 and rejoined PG&E in 1969. Moved from corporate staff to general management of utility operations in 1982, was promoted to chairman and CEO in 1986. In the face of deregulation and increasing competition, PG&E's profitability has lagged that of San Diego Gas & Electric, Southern California Edison and PacifiCorp. But Clarke has been concentrating on improving the marketing efforts for PG&E's 14 subsidiaries.

Doug Menuez/Picture Group



Enjoys tennis and gardening. On board of directors, Independent Colleges of Northern California; works with United Way.

John L. Clendenin

BellSouth Corp.
$1,172,000
Stock price change 117% *

Financial Times/Gamma Liaison

Business leader most admired: "Charlie Brown [AT&T chairman, 1979-86] for his insight, decisiveness, coolness under pressure, sensitivity and keen appreciation of the human aspects of any problem."

Greatest career achievement: "Being part of a team of people that launched BellSouth Corp."

Greatest mistake: "Underrating the speed with which technology was going to change and finding that customers' expectations were moving faster than we had anticipated."

Most important career decision: "Marrying my wife, who stuck with me through so many moves you wouldn't believe and provided a stable home environment."

Drives a 1984 Lincoln, 1987 Jeep Cherokee Laredo and Mazda pickup truck. Favorite drink: Coca-Cola. Enjoys tennis and his seven grandchildren. House in Atlanta; cabin in the north Georgia mountains. On board of governors of the United Way of America; church activities. Last book read: *Making a Difference: The Peace Corps at Twenty-five*, edited by Milton Viorst. Most important book to career: Paul Samuelson's textbook on economics (*Economics*, 1948).

Presidential choice/prediction: "I'm not in the business of broadcasting such things."

Lodwrick M. Cook

Atlantic Richfield Co.
$1,957,000
Stock price change 40%

Greatest career achievement: "Most recently, the restructuring of Arco [FORBES, *Mar. 21*]. Some years back leading development of a drag-reducing agent that allowed more oil volume to be pumped through the Trans Alaska Pipeline."

Biggest career mistake/lesson: "Sometimes I've stayed too long with people when I should have moved on sooner, or with an investment that I should have corrected quicker. Sometimes strong people think they can change almost anything, and sometimes it's better just to come to grips with a problem and resolve it. . . . The person who puts the pieces together well to form a company may not wind up being the best guy to run it later on. There are exceptions, of course, including our own Bob Anderson."

Most important career decision: "Coming with Arco after I turned down the company's first job offer."

Last book: David Halberstam's *The Reckoning*. Drives a 1986 Mercedes 500 SEL. Homes in L.A. and Palm Desert, Calif. Drinks iced tea, enjoys golf, tennis, freshwater fishing and his wife and two granddaughters. Chairman, National Junior Achievement; trustee, Aspen Institute; board of directors, Los Angeles Music Center.

Presidential preference and prediction: George Bush.

Bill Nation/Sygma

Sam L. Ginn

Pacific Telesis Group
$582,000
Stock price change 125%*

Business leaders most admired: "Don Guinn, my predecessor, because he turned Pacific Telesis around and still spent a lot of time working on improving public education. Also, John Lillie of Lucky Stores, because he fought off Asher Edelman and, having divested half his company, came out with healthy operations."

Greatest achievement: "Starting whole series of nonregulated new companies after divestiture—particularly the cellular telephone company, which is now worth over $2.5 billion."

Greatest mistake/lesson: "Learning not to spend a lot of capital way ahead of anticipated revenue stream. In startups, estimated expenses are usually pretty close, ~~but~~ estimated revenue is off by a factor of 2 to 10. We just sold PacTel Spectrum to IBM, and even though we booked a gain we lost money operationally."

Most important decision: staying at Telesis at divestiture.

Plays tennis, learning golf. Favorite drink: half ginger ale, half orange juice. Last book read: Tom Clancy's *Hunt for Red October*. Former chairman of both the Industry Education Council of California and United Way's San Francisco campaign.

Presidential prediction: "Too close to call."

David D. Glass

Wal-Mart Stores

$6,085,000

Stock price change 282%

Most admires Wal-Mart founder Sam Walton, whom Glass succeeded as chief executive on Feb. 1, 1988. "There's never been a day in his life, since I've known him, that he didn't improve in some way."

Most important career decision: starting at Wal-Mart when it was still relatively small, in 1976, as executive vice president for finance.

Biggest career mistake: working for a business that was acquired. "I like being the acquirer rather than being on the other side. It's better when you control your own destiny."

Most important book read: *In Search of Excellence* by Tom Peters. Last book read: *The Deming Management Method* by Mary Walton.

Plays "a little" golf, likes coffee, drives a Ford station wagon ("I don't know the year"). Chairman, corporate gift committee, Southwest Missouri State University. Family man.

Presidential prediction: "I think Dukakis is an outstanding young man who has a lot to offer. But I guess, when you put it all in a sack and shake it up, I can't see Bush not winning."

Roberto Goizueta

Coca-Cola Co.

$3,107,000

Stock price change 88%

Most admired business leader: Coca-Cola's president from 1923 to 1939, Robert Woodruff, "because he provided a vision for the product Coca-Cola that is still valid today. Also, my grandfather, who made so many things possible."

Greatest career achievement: "Steering the company with a sense of direction, and maintaining its momentum during my tenure as CEO."

Biggest career mistake: "I have made many mistakes, from which I have learned that the secret to success is having the courage to meet those mistakes without being defeated."

Most important career decision: "To introduce New Coke, followed by Coca-Cola Classic."

Last book read: *The Suicidal Corporation* by Paul Weaver. Most important book: Yukio Mishima's tetralogy *The Sea of Fertility*. Drives a Mercury Scorpio, drinks—what else?—Coke. Supports United Way.

Presidential prediction: George Bush.

Rob Nelson/Picture Group

Maurice Greenberg

American International Group

$3,529,000

Stock price change 64%

Admires Lee Iacocca. "I certainly think he did a great job with Chrysler." Greatest career achievement: "Managing change, and bringing our company to a position where it's a leader in its industry."

Biggest career mistake: "Failing to recognize the impact of deflation on one of our subsidiaries. You can't just focus your business strategies without totally focusing on what the economic indicators for that particular business would result in."

Most important career decision: "Deciding what our distribution system would be and then concentrating our efforts on one that gave us a powerful position in our industry."

Avidly skis, plays tennis, rides a stationary bike. Chairman of New York Hospital. Drives a 1983 Jaguar between New York City apartment and a country house in upstate New York. Is currently reading *The Rise and Fall of the Great Powers* by Paul Kennedy. Likes scotch on the rocks ("with some water").

Hopes and predicts George Bush will be next President.

Richard E. Heckert

E.I. du Pont de Nemours & Co.

$5,959,000

Stock price change 86%

Declined to be interviewed. Greatest career achievement: Heckert has been bringing an emphasis on marketing to traditionally research-minded Du Pont, whose salesmen have often taken a come-and-get-them approach to the company's products.

Lives on a 120-acre farm in Union-

The Top 50

Leif Skoogfors/Woodfin Camp

ville, Pa., near Wilmington; vacation home in Wyoming. Avid farmer, hunter, fisherman, also holds several of the first patents in the field of cyanocarbon chemistry, a branch of organic chemistry concerned with carbon, not hydrogen, atoms. Chairman of the board of trustees of Carnegie Institution, and member of the Governor's High Technology Task Force of Delaware.

William R. Howell

J.C. Penney Co.
$1,214,000
Stock price change 40%

Most admires James Cash Penney. "He was a pioneer, he was an entrepreneur, and he was an ethical man in every respect."

Greatest career achievement: repositioning of J.C. Penney upmarket.

Biggest career mistake: failing to save Penney's Treasury Stores division. "I learned that today's marketplace absolutely dictates that you must have a clear focus for the business and be well understood by the American consuming public."

Most important career decision: "I never said no to a career assignment."

Drinks Diet Coke, drives a 1985 Jeep Grand Wagoneer and 1985 Lincoln Town Car. Enjoys golf, woodworking; supports United Way, National Organization on Disability, National Urban League. Second home in Naples, Fla.

Last book read: *The Destructive Achiever* by Charles M. Kelly. Most important book read: *Future Shock* by Alvin Toffler and *Main Street Merchant* by Norman Beasley, the story of J.C. Penney. "I keep it right here at my desk as a ready reference."

Preference/prediction for next President: George Bush.

Lee A. Iacocca

Chrysler Corp.
$17,656,000
Stock price change 89%

Declined to be interviewed. Career achievements: spearheading development of Ford's Mustang in 1960s; resurrecting, with government backing, Chrysler in early 1980s.

Career low points: forced 1978 resignation as Ford president, after feuding with Henry Ford II; federal grand jury indictment of Chrysler last year for disconnecting test car odometers.

David Burnett/Contact

Personal Chrysler favorites: 1988 Dodge Caravan minivan and 1988 New Yorker Landau. Occasional tennis player. Second homes: reportedly has oceanfront condo in Boca Raton, Fla. and a villa in Tuscany, Italy. Likes Villa Nicola, the red table wine from his Tuscan vineyard. Wrote the bestselling hardcover autobiography in history, *Iacocca*, with William Novak; wrote *Talking Straight* with Sonny Kleinfield, due out next month. On board of Detroit Symphony Orchestra. Heads Iacocca Foundation, which funds diabetes research and college scholarships; leading $40 million drive to pay for Iacocca Institute for American Enterprise at Lehigh Mountaintop campus.

Presidential prediction: none. "None of the candidates has addressed the issues."

Allen F. Jacobson

Minnesota Mining
$1,015,000
Stock price change 36%

Steve Woit/Picture Group

Most admires 3M's late chief executive W.L. McKnight. "He recognized very early the value of research in business as a competitive tool."

Biggest career mistake: "In my first few years in the laboratory, I made some product [Scotch tape] with less than the best-quality materials, and I learned a lot from that because we kept getting it back for a long time."

Career achievement: "Probably the most significant thing was coordinating and creating a single global team out of the 'outside-U.S.' and the 'inside-U.S.' parts of our company."

Most important career decision: "Coming to 3M forty years ago."

Drinks martinis, drives a 1986 Audi Quattro—"A four-wheel-drive sedan that lets you get around Minnesota." Enjoys gardening, shooting, photography, golf, working for United Way. Second home Naples, Fla. "I guess my family's my first hobby." Last read Richard Rhodes' *Making of the Atomic Bomb*, cites the Bible as most important book.

Would like to see Howard Baker as President, but among the candidates running prefers George Bush.

James L. (Rocky) Johnson

GTE Corp.
$864,000
Stock price change 49%

Business leader most admired: "Austin Saunders of General Telephone of Michigan, who had a sixth sense in recognizing a problem before it became serious, and was one of the

prime men to develop people throughout the company."

Greatest career achievement: The financial results of the GTE telephone operating companies while he was president.

Biggest mistake/lesson: "I've certainly made my share of mistakes. I'm a big believer that making mistakes is a way to develop good managers, as long as they don't repeat them."

Most important career decision: moving into general management from finance in 1976.

Drives a Mercedes, has homes in New Canaan, Conn. and on the west coast of Florida; drinks iced tea and California chardonnays. A fitness buff, hunter, fisherman and collector of duck decoys. Close ties to Texas Tech (class of '49), the Methodist Church, United Way. Book most important to career: Peters' and Waterman's *In Search of Excellence*. Last read: Harvey Mackay's *Swim With the Sharks Without Being Eaten Alive*.

Presidential prediction: George Bush.

Ross Johnson

RJR Nabisco
$2,716,000
Stock price change 114%

Darryl Pitt

Declined to be interviewed. Career achievements: As chief executive of Standard Brands, he merged it with Nabisco in 1981 and became chief executive of the combined company within three years. In 1985 sold Nabisco to R.J. Reynolds and was named head of RJR/Nabisco 16 months later.

Born in Winnipeg, Man. in Canada. Plays golf. Friends reportedly include hockey star Bobby Orr, pro football great Frank Gifford and Canadian Prime Minister Brian Mulroney. Has appeared in print ads for Oleg Cassini suits. Works with United Way, is a trustee of Duke University.

David T. Kearns

Xerox Corp.
$1,724,000
Stock price change 23%

Rob Kinmonth

Most admired business leaders: IBM's Thomas Watson and former Xerox chairman Peter McColough. "Conversations with Watson were like a search for truth. With McColough, integrity is number one in everything."

Greatest career achievement: "Making Xerox competitive with the very best and regaining market share particularly against the Japanese. Not a victory, yet, but we have made real progress."

Biggest career mistake: "Our strategy in the late 1970s and early 1980s was too broad. It cost us time and diluted our investment."

Most important career decision: leaving IBM and coming to Xerox. "It's clear to me I never would have been CEO at IBM."

Likes "diet soda by the ton"; drives a 1986 Buick station wagon, a 1987 Jeep Cherokee and a 1986 Ford Escort (shared with his children). Runs, golfs, flies a plane, recently coauthored a book on perils facing public education; trustee of National Urban League. Most important books: *Excellence* and *No Easy Victories* by advocate and educator John W. Gardner. Last book read: *Sarum* by Edward Rutherfurd. Homes in New Canaan, Conn.; Vero Beach, Fla.

Presidential preference: George Bush. "I think he'll win, but I think it's going to be close."

George Keller

Chevron Corp.
$1,565,000
Stock price change 20%

Most admired business leaders: "Ruben Mettler at TRW, because he's reoriented a complex business to take advantage of its strengths. Jimmy Robinson at American Express, who has played a particularly effective public role; and in the other direction, Jack Welch at GE: He's Mr. Inside and has faced up to a complex business and made aggressive and successful steps in new directions."

Greatest career achievement: "Survival, and the successful completion of the Gulf Oil merger last year. . . . A Senate proposal was introduced that would have made the Gulf merger illegal; we had it defeated. Carrying the message to the right people inside and outside the company is a big part of the job."

Most important career decision: "Coming to Chevron in the first place—I was at MIT after spending time in the Air Force. Then, transferring from engineering to our foreign operations in 1963, and going to Arabia and Iran that year."

Homes in San Mateo and Pebble Beach, Calif. Golfs; chairs board of College of Notre Dame in Belmont, Calif., soon to be chairman of United Way of Bay Area. Collects California and Bordeaux wines, likes Highland brands of single-malt scotch. Drives a 1978 Mercedes. Enjoys P.D. James thrillers. "I've never been terribly impressed by business books."

Presidential preference: George Bush.

Ed Kashi/Gamma Liaison

Robert Kilpatrick

Cigna Corp.
$1,293,000
Stock price change –4%

Most admired business leader: James Burke of Johnson & Johnson. "He just runs a first-class company in a classy way."

Greatest career achievement: "The building of Cigna Corp. I'd like to be remembered best as the guy that was CEO throughout the whole building period."

Most important career decision: "Deciding [in 1978] that I wanted Connecticut General to get an international presence, a larger property/casualty presence and a larger health care presence. That led to the merger with INA that created Cigna."

Biggest career mistake: "Timing. I've learned that in mergers and acqui-

sitions, timing is about as important as the strategic considerations are."

Enjoys bird hunting, tennis, walking 5 miles every day, his farm in Virginia, scotch and water. Drives a 1983 Cadillac ("Time for a new one"). Trustee at the University of Richmond and the University of Virginia's Colgate Darden School of Business. Last book read: *Whirlwind* by James Clavell. Most important books: several by Peter Drucker.

Presidential prediction/preference: George Bush.

James W. Kinnear

Texaco

$727,000

Stock price change 25%

Most admired business leader: Sears, Roebuck Chairman (1939-54) General Robert E. Wood. "He was a visionary, an optimist, and created much of the type of merchandising that we have in the U.S. today. I married his granddaughter."

Greatest decision/achievement: "Decision to lead this corporation into bankruptcy and, 361 days later, get it out of bankruptcy, paying all debt holders' interest and suppliers' interest on their accounts, plus interest on their interest."

Greatest career mistake/lesson: "I have made so many mistakes, I can't single one out. It's my deeply held belief that wealth is created by investment, research, exploration and training people, and not by balance-sheet manipulation."

Rob Kinmonth

Last book read: *Commander-in-Chief: Franklin Delano Roosevelt, His Lieutenants & Their War* by Eric Larrabee. Favorite drinks: Dewar's White Label, decaffeinated coffee and tea. Drives a 1981 Oldsmobile Omega. Likes squash, hunting and fishing; raises hunting dogs, cultivates orchids. President of board of trustees, St. Paul's School, Concord, N.H.

Presidential prediction/preference: No comment.

James T. Lynn

Aetna Life & Casualty Co.

$2,603,000

Stock price change 15%

Don Heim/Picture Group

Declined to be interviewed. Career achievements: Arriving at Aetna in 1984, when its earnings were poor and its debt bloated from bad acquisitions in energy, communications and real estate, Lynn refocused Aetna on the insurance business, with an emphasis on employee benefits and investment management. Has called the timing of his arrival at Aetna "spectacularly good."

Bright, informal, works at dealing with subordinates on a peer level. Emphasizes planning and requires detailed "option papers." Enjoys cooking with his wife. Home in Farmington, Conn.

Before Aetna, several government jobs including Under Secretary of U.S. Department of Commerce, 1971-73; Secretary of Housing & Urban Development, 1973-75; director of the Office of Management & Budget, 1975-77.

Nonbusiness directorships include National Alliance of Business; the Washington Campus; the Committee for a Responsible Federal Budget; James S. Brady Presidential Foundation. Member of the President's Economic Policy Advisory Board. Trustee, Brookings Institution and Case Western Reserve University.

Acted and sang in a high school barbershop quartet that Bob Hope invited to join his China-Burma-India tour during WWII. "It was too late," Lynn says. "Three of us had already enlisted."

Jack MacAllister

US West

$914,000

Stock price change 72%*

Most admired business leader: the late Peter Kiewit, of Omaha's Peter Kiewit Son's. "I admire somebody who can keep a perspective on life in addition to being very successful in business."

Greatest career achievement: being named CEO and chairman of US West. Wants to be remembered for "having a successful and profitable company, building a truly pluralistic work environment and taking some responsibility for some of those areas where society hurts."

Biggest career mistake: "Underwhelming some opportunities" and "not really understanding all of the assets required to give an idea a fair chance of success."

Most important career decision: left the operations end of the telephone business and took a job as treasurer with Northwestern Bell in the 1960s.

A passionate skier who owns homes in a Denver suburb and in Crested Butte, Colo. Drives a 1988 Lincoln Continental and 1977 Toyota Land Cruiser. Last book read: *Writings* by Thomas Jefferson. Most important book: the Bible. Especially concerned with the plight of the homeless. Presidential preference: George Bush.

John C. Marous

Westinghouse Electric Corp.

$1,608,000

Stock price change 94%

Most admired business leader: Motorola Chairman Robert Galvin, "For bringing about what success we've achieved in the semiconductor industry between the U.S. and Japan."

Greatest career achievement: get-

ting Westinghouse to focus on every worker's contribution. "The team that wins the Superbowl isn't necessarily the one with a superstar. It's the team where everybody on it is creating value."

Biggest career mistake: judging people on first impressions. "We need to take more time to thoroughly understand an individual. You can't put a football player on a baseball diamond."

Most important career decision: moving from functional departments (engineering, marketing) into general management.

Plays golf, drinks Jack Daniels, drives a 1988 Jeep Wagoneer and a 1987 Mercedes, has a second home in Naples, Fla. and is building a weekend home in the mountains east of Pittsburgh. Last book read: Tom Clancy's *Hunt for Red October*. Most important book: "Obviously, I'd say the Bible." Chairman of board of trustees of University of Pittsburgh; chairman of River City Brass Band.

Presidential preference/prediction: George Bush.

Hamish Maxwell

Philip Morris Cos.
$1,494,000
Stock price change 162%

Declined to be interviewed. The son of a Liverpool tobacco dealer, Maxwell joined Philip Morris as a salesman in 1954, was named chief executive in 1984 and engineered PM's $5.75 billion purchase of General Foods in 1985. He is an indefatigable promoter of PM's products and is said to consume Jell-O Pudding Pops, Oscar Mayer bologna and Miller beer. A heavy and unapologetic smoker (Marlboro). Contributes Philip Morris' money generously to the arts—PM supports over 280 arts organizations, including a branch of the Whitney Museum of American Art in the company's New York headquarters.

Alen MacWeeney

David Maxwell

Federal National
Mortgage Association
$1,077,000
Stock price change 48%

Acey Harper

Biggest career mistake/lesson: practicing law because of his father's wishes. "I learned to seek my own destiny."

Most important career decision: leaving law practice in 1966.

Most admired business leader: Paul Hoffman, once head of Studebaker and director of Marshall Plan. "He combined a very successful business career with outstanding public service."

Greatest career achievement: "It's not over yet! Up to now, saving Fannie Mae is the thing I'm proudest of."

On the boards of Washington, D.C.'s regional theater Arena Stage, and of the Urban Institute. Likes red wines, reading, tennis. Last book read: *The World As I Found It* by Bruce Duffy. Drives a 1980 BMW 320i.

Presidential prediction: "I think it's a toss-up."

Richard M. Morrow

Amoco Corp.
$2,396,000
Stock price change 46%

Business leader most admired: James Burke of Johnson & Johnson. "I was impressed with the way he handled the Tylenol disaster."

Greatest career achievement: "I'd like to be remembered as a CEO who helped make a great company even better."

Biggest career mistake/lesson: "We've had to cut back a lot in difficult times. It's made a leaner, more streamlined company, and the tendency will be to stay that way."

Most important decision: "Joining Amoco in 1948."

Homes in Chicago and Glenview, Ill. Drives a 1988 Lincoln Continental and a 1986 Dodge Daytona. Likes golf, fly-fishing, skiing, bird shooting, "a good chardonnay." Board member of United Way of America, chairman of the Educational Summit for public school reform in Chicago. Books most important to career: Peter Drucker's *Managing for Results* and *Managing in Turbulent Times*. Last book read: Tom Wolfe's *Bonfire of the Vanities*.

Presidential prediction: George Bush.

Allen Edward Murray

Mobil Corp.
$2,323,000
Stock price change 53%

Declined to be interviewed. Recently succeeded in extracting Mobil from retailing by selling, for $1.5 billion in cash, Montgomery Ward, purchased in 1974.

Born in New York City, now resides

principally in a large, ranch-style house in Oyster Bay on New York's Long Island. Avid golfer; enjoys suburban barbecues. Heavy reader of newspapers and Mobil reports. Member of advisory council Columbia University Graduate School of Business; trustee, Presbyterian Hospital in New York City; member of the National Foreign Trade Council, the American Petroleum Institute, Council on Foreign Relations.

James J. O'Connor

Commonwealth Edison Co.
$442,000
Stock price change 24%

Kevin Horan/Picture Group

Most admired business leader: "My mentor, [former Comm Ed chairman] Tom Ayers. He had an extraordinary feel for people and a special social conscience."

Greatest career achievement: Comm Ed's nearly completed, six-plant nuclear construction program. "The largest, most modern and most efficient electric plant in the country today."

Biggest career mistake/drawback: "A tendency I have to address things I most enjoy, like dealing with the public and our people, while paperwork is put to the side of the desk for a while."

Biggest career decision: spending his first year at Comm Ed in the field. "It was an opportunity to understand the people who do most of the work."

Drives a 1988 Chevrolet Caprice and a 1986 Toyota Camry; summer home on Lake Geneva, Wis. Likes red wines. Last book read: *The Bonfire of the Vanities* by Tom Wolfe. Most important book read: essays by Ralph Waldo Emerson. Head of United Way's $90 million drive in Chicago; chairman of $10 million campaign to support Chicago's inner-city schools.

Presidential choice/prediction: "I'm not taking sides yet."

Kenneth H. Olsen

Digital Equipment Corp.
$906,000
Stock price change 107%

Most admired business leader: "There is something to learn from every business leader, sometimes for good and sometimes for bad, but I couldn't pick out one that I admire most."

Greatest career achievement: "I'd like to think that my greatest achievement has been to give people the opportunity to take responsibility, to work hard, to experience success and failure—and to be patient with them when they fail and appreciative when they succeed. I'm proud of the great technology to which my only contribution was to allow it to happen."

Biggest career mistake: "Probably most of the significant ones involved people who were not given the proper goals and the guidance."

Important career decision: "At any one point in my life it always seemed clear what to do, and there was no great decision to be made."

Drives "almost every kind of Ford car, including a van and small trucks." Now reading Paul Kennedy's *Rise and Fall of the Great Powers.* Favorite drink: coffee. Small-plane pilot, "enthusiastic" gardener, likes "tramping through the woods and canoeing in the wilderness."

Presidential choice/prediction: no comment.

Fred Cantor/Onyx

Donald E. Petersen

Ford Motor Co.
$3,779,000
Stock price change 274%

Most admired business leaders: "Henry Ford II, a great force in business as well as a pioneer in social and moral responsibility, and David Packard, for creating a truly outstanding company and for his very strong sense of public responsibility."

Timothy White/Onyx

Greatest career achievement: "The development of the concept of teamwork at Ford, of working together in an atmosphere of trust and cooperation toward common goals."

Biggest career mistake/lesson: "Not focusing on teamwork early enough. And what I learned was that we'd better damn well get on with it."

Most important career decision: "That break from function orientation to broad business orientation. I went from developing new products to jobs where I undertook to be the person who developed broader strategies and plans and then had to see them implemented."

Drives, among others, Lincoln Mark VII Luxury Sports Coupe, a Taurus, a Sierra Cosworth and "when I'm in England and can get one, an Aston Martin, and that's not too shabby." Homes in Bloomfield Hills, Mich. and Rancho Mirage, Calif. Plays tennis, skis, drives, reads. Recent books: *The Closing of the American Mind* by Allan Bloom; *The Rise and Fall of the Great Powers* by Paul Kennedy; *The Bonfire of the Vanities* by Tom Wolfe. Enjoys California chardonnays. Volunteer work for University of Washington, Michigan Cancer Foundation, Target.

Presidential prediction: George Bush.

Frank P. Popoff

Dow Chemical Co.
$1,176,000
Stock price change 144%

Most admired business leader: Dow's CEO from 1971 to 1976, Ben Branch. "Ben made us the most global of the U.S. chemical companies."

Greatest career achievement: investing heavily in Dow's basic chemicals business in the early 1980s, "when no one could say anything good about basic chemicals, and a lot of people divested."

Biggest career mistake: listening to conventional wisdom. "Conventional wisdom is, almost by definition, wrong in this business."

Most important career decision: going abroad (Europe) as marketing manager in 1967 and back again as commercial director in 1976. "It gave me an appreciation for how the world was coming together into a one-world industry in chemistry."

Avid skier, sailor. Ski house in Snowmass, Colo. Dean's Advisory Council, Indiana University School of Business. Drives a Mercedes 500. Last book read: *The Closing of the American Mind* by Allan Bloom. Most important book: Walter J. Moore's *Physical Chemistry*. "It made me decide to get an M.B.A., and not be a bench chemist." Favorite drink: "That first cup of coffee in the morning."

Presidential prediction/preference: George Bush. "I wish I were more enthusiastic."

Lawrence G. Rawl

Exxon Corp.
$5,523,000
Stock price change 100%

Declined to be interviewed. Joined tiny Humble Oil in 1952, not realizing that it was a subsidiary of Standard Oil of New Jersey (now Exxon), and has been with the company ever since. Highly regarded for putting in motion Exxon's rebound in oil production—and profits—in the early 1980s. Has been called Exxon's axman. Complains that managers tend to invest and expand excessively on up cycles and are forced to pay for their excesses when the cycle turns down. Reportedly once said of top management that at the top "the arguments don't last as long."

Rob Kinmonth

Reads paperback mysteries and spy stories, drinks scotch, enjoys hunting and fishing, particularly in Canada, Alaska and Norway. Biggest trophy: a 9-foot, 200-pound sailfish caught off Acapulco. Trustee of the American Museum of Natural History; governor of the United Way of America; on the Board of Visitors of the College of Engineering at the University of Oklahoma.

John S. Reed

Citicorp
$972,000
Stock price change 15%

David Burnett/Contact

Especially admired business leader: "Joe Cullman of Philip Morris [chief executive, 1957-78], one of the great humanists. The thing that I learned from Joe as a businessman was how he built human values into the workings of what is a very effective and efficient company."

Greatest career achievement: "I probably feel best about building the consumer business here. It was taking a notion of a business that didn't exist and causing it to become accepted in and embedded within a larger organization that, like all large organizations, could easily have rejected it."

Biggest career mistake: "Let's stop using words like 'most' and 'biggest.' An important mistake I made involved a big computer system project on which we spent nearly two years and maybe $80 million. We tried to do too much at once, and it was a tremendous mistake from which I learned a hell of a lot. I'm not sure that I've learned patience yet, but I've since become a fan of getting away from episodic management—big projects—and toward looking for solutions in decent bite sizes."

Houses in Greenwich, Conn. and island of Jamaica. Drives a yellow 1970 Volkswagen Bug, about to die. Plays golf, reads heavily. Last book: *History of the Jews* by Paul Johnson. "A fascinating book." Likes Johnnie Walker Black Label. Works with New York's Blood Center and Memorial Sloan-Kettering Cancer Center.

Preference and prediction for President: George Bush.

James D. Robinson III

American Express Co.
$3,033,000
Stock price change 18%

Most admired business leaders: "Jim Burke of Johnson & Johnson, Ed Pratt at Pfizer, and Dick Shinn, who headed the Met—they're broad-gauged people who are straightforward, credible, committed and real leaders."

Greatest career achievement: "I want 'quality' written on my tombstone. And I think that at American Express, the depth and breadth of the quality mentality is what stands out."

Biggest career mistake/lesson: "I think the mistakes I've made relate to some of the people judgments I made. What you'd better learn is not to have too many repeat mistakes."

Most important career decision: "Coming to American Express in 1970 wasn't bad."

Drives a new Pontiac SSE ("I am a GM director"). Homes in Manhattan and northwest Connecticut. Last books read: *The Rise and Fall of the Great Powers* by Paul Kennedy; Tom Peters' *Thriving on Chaos*. Most influential career books: "Dale Carnegie's *How to Win Friends and Influence People* years and years ago; some of Peter Drucker's stuff; *In Search of Excellence* [by Peters and Waterman]." Chairman, United Way of America; vice chairman, Memorial Sloan-Kettering Cancer Center. Drinks Diet Coke.

Andrew Popper

Plays golf, skis, does weight lifting/aerobic exercise.

Presidential preference and prediction: George Bush.

John G. Smale

Procter & Gamble Co.
$1,599,000
Stock price change 32%

Greatest career achievement: "Moving into more product categories, which has opened some very large, important consumer markets."

Biggest career mistake: "There's no shortage of mistakes, but it's hard for me to pick out a specific incident. You can think of a Rely [a tampon that in some women caused toxic shock syndrome], but that was not a mistake on the part of P&G. We got blindsided by a new disease."

Most important career decision: "Applying to P&G for a job when I was 25 years old."

D. Gorton/Onyx

A GM director, drives a 1986 Chevrolet Blazer and a 1988 Cadillac. Likes iced tea, Orange Crush. Last book read: Dick Francis' *Hot Money.* Avid fly-fisherman. On the boards of Kenyon College, United Negro College Fund and the Nature Conservancy.

Presidential preference: "As an individual, I certainly have points of view. But as a company, we're apolitical."

Roger Smith

General Motors Corp.
$1,436,000
Stock price change 11%

Most admired business leader: former General Motors Chairman Thomas A. Murphy "because of his integrity."

Greatest career achievement: "Reorganization of GM [in January 1984] into a 21st-century corporation." Hopes to be remembered for "directing GM into the 21st century."

Timothy White/Onyx

Biggest career mistake/lesson: "Underestimating the value of communications and assuming that the entire organization was ready for change. I learned to place an even greater emphasis on management communications."

Most important career decision: "joining GM."

Cars: "I like all kinds of cars." Has home in Bloomfield Hills, Mich., summer home in northern Michigan. Last book read: *For Lust of Knowing: The Memoirs of an Intelligence Officer in the Middle East* by Archibald Roosevelt Jr. Most important book read: Alfred P. Sloan Jr.'s *My Years With General Motors.* Favorite drink: light scotch and soda. Enjoys hunting, fishing. Works with the GM Cancer Research Fund.

Presidential prediction: George Bush.

Delbert Staley

Nynex
$1,243,000
Stock price change 120%*

Greatest career achievement: "Becoming the first chairman and CEO of a new corporation."

Most admired business leader: GE's Jack Welch. "I like his style, what he's doing with respect to mergers and acquisitions, and what I see as his strategic planning to move the company in the right direction."

Greatest career mistake: "I assumed a lot of things with the breakup of the [Bell] system that did not occur, and I suppose that if I would have been a little smarter then, I would have made a few different moves."

Lawrence Barns

Most important career decision: "My move up into a district level assignment."

Works with Red Cross (chairman of the executive board for Greater New York, and on the National Board of Governors). Drives a Mercedes, avid golfer and a "rabid Indiana basketball fan." Lives in Rye, N.Y.; second homes in Naples, Fla. and Mamaroneck, N.Y. Likes Jack Daniels and club soda. Last book: Tom Wolfe's *The Bonfire of the Vanities.* Presidential prediction and preference: George Bush.

Laurence A. Tisch

Loews Corp./CBS Inc.
$1,491,000
Stock price change 180% (Loews)

Brian Smale/Onyx

Declined to be interviewed. Once told trade magazine *Corporate Finance:* "The most important thing is to understand the company you're going into, what kind of business it does well, what kind of business it should not be trying to do. We aren't necessarily great managers. We try to create the right circumstances to give managers a proprietary interest where they don't have to run scared. Most often they rise to the occasion." Has come under pressure at CBS, where Tisch has been chairman since 1986. CBS has dropped to last place in network ratings.

Trustee of the Federation of Jewish Philanthropies; trustee of the Metropolitan Museum of Art, the New York Public Library, director of the Legal Aid Society and chairman of the Board of Trustees of New York University. Avid bridge, tennis player. Homes in Manhattan (Fifth Avenue) and Rye, N.Y. Drinks ginger ale.

The Top 50

P. Roy Vagelos

Merck & Co.
$1,372,000
Stock price change 198%

Hans Neleman/Wheeler Pictures

Declined to be interviewed. Told shareholders at Merck's April 1988 annual meeting: "Why does Merck succeed in research? People, programs and funding are obviously important elements. The irreplaceable, all-important elements are the people, and the programs they conceive and conduct. . . . Our primary answer to competition is more and better research, leading to more and better Merck products."

Primary residence in Watchung, N.J. A doctor of medicine, he has authored over 100 scientific papers, and is a member of the American Academy of Arts & Sciences and the National Academy of Science. Trustee of Rockefeller University and the Danforth Foundation.

William L. Weiss

Ameritech
$1,589,000
Stock price change 94%*

Kevin Horan/Picture Group

Most admired business leaders: "Don Petersen of Ford Motor, because in his own quiet way he has made a significant transformation during a very difficult time in that industry. Bob Crandall, for the way he's led American Airlines through deregulation. Wes Christopherson of Northern Trust Co., because every action and every judgment is based on his own strong personal value system."

Greatest career achievement: "Working with the senior executives and employees of Ameritech to build it from its beginning at the time of divestiture."

Biggest career mistake/lesson: "If you're able to identify and admit mistakes and then correct them, then you don't need to dwell on them."

Most important career decision: "Staying with the telephone operating side of the business at the time the Bell System was broken up."

Has homes in downtown Chicago and in Pinehurst, N.C. Drives Cadillac Sevilles (1980 and 1985), drinks Glenlivet. Enjoys golf, international travel, his three children and his two grandchildren. Is a member of the policy committee of the Business Roundtable, board member of the United Way of America, trustee of the Chicago Symphony Orchestra, the Chicago Lyric Opera and Chicago's Museum of Science & Industry. Last book read: *In the Name of the Father*, by A.J. Quinnell. Book most important for his career: *Man's Search for Himself*, by Rollo May.

Presidential preference: George Bush.

John F. Welch Jr.

General Electric Co.
$12,631,000
Stock price change 45%

Jacques M. Chenet/Woodfin Camp

Declined to be interviewed. Strongly believes that "the managements and companies in the 1980s that hang on to losers for whatever reason won't be around in 1990."

Starting 1981, Welch began a massive restructuring of GE that eliminated 132,000 jobs, more than a quarter of GE's work force. Surviving managers were put on notice that they faced sale or shutdown if they failed to become the first or second outfits in their fields.

Has a primary residence 21 miles from General Electric's Fairfield, Conn. headquarters. Enjoys jogging. A voracious reader of books on business and economics but has read no fiction in years. Director of the Federal Reserve Bank of New York; member of the Business Council, the Business Roundtable and the National Academy of Engineering.

John A. Young

Hewlett-Packard Co.
$2,076,000
Stock price change 68%

Doug Menuez/Picture Group

Most admired business leader: Ford's Don Petersen. "Redoing the culture of a company on that scale and under a lot of pressure, and producing the results they've had—it's been a remarkable accomplishment."

Greatest career achievement: becoming the first nonfounder to run Hewlett-Packard.

Biggest career mistake: not moving the company faster and more forcefully from an "independent instrument-oriented organization into a highly interdependent systems organization. Managing change is such a common theme these days, and boy! There's a lot to learn about how to do that."

Most important career decision: not leaving H-P. "The headhunters around Silicon Valley are on the phone almost daily."

Drives a 1986 Olds, a 1987 Chevrolet and a 1982 Ford pickup truck. Second home near Jackson Hole, Wyo. Drinks Diet Coke. Last book read: *Dynamic Manufacturing* (proofs), by Steven Wheelwright, Kim Clark and Robert Hayes. Most important book: *Self-Renewal: The Individual & the Innovative Society* by John Gardner. "It's about repotting yourself. Instead of changing my job, I've changed my external context." Loves fly-fishing. Stanford trustee; chairman of the President's Council on Competitiveness.

Presidential prediction/choice: George Bush.

Corporate America's Most Powerful People

The 800 executives listed below run the companies covered in the 1988 edition of the Forbes 500s *(Apr. 25)*. The tables list the essentials of the careers and compensation of chief executives who are currently in office. In some cases figures were not available for recently appointed chief executives.

A few methodological notes: *Salary + bonus* includes all cash and deferred salary and bonus payments in 1987, as well as directors' fees and commissions. *Other* includes payments made under long-term compensation plans, restricted stock awards vested or released from restrictions in 1987, thrift plan contributions and other benefits. *Rank among 800 executives* is based on total compensation.

Stock owned and *Market value* of executives' stock is based on most recent proxy statements, and includes all classes of common stock. Holdings were priced as of Apr. 27, 1988. We include shares of beneficial interest and stock held by an executive's wife or children, even if beneficial ownership is legally disclaimed.

Where possible, shares in which the executive shared voting and investment power were excluded. Also dropped were shares that were held by foundations, by a parent or

		Tenure (years)			Education	
Company	Chief executive/age	with firm	as CEO	Birthplace	undergraduate/graduate	Professional background
Abbott Laboratories	Robert A Schoellhorn/59	14	9	Philadelphia PA	Phil Col Textiles '55	technical
Aetna Life & Cas	James T Lynn/61	10	4	Cleveland OH	Harvard '51	legal
Affiliated Pubs	William O Taylor/55	32	6	Boston MA	Harvard '54	finance
HF Ahmanson	Richard H Deihl/59	29	4	Whittier CA	Whittier '49	banking
Air Prods & Chems	Dexter F Baker/61	36	1	Worcester MA	Lehigh '50/Lehigh, MBA '57	technical
Albertson's	Warren E McCain/62	37	11	Logan KS	Oregon St '48	operations
Alco Health Services	John H Kennedy/58	26	2	Philadelphia PA	La Salle '51	finance
Alco Standard	Ray B Mundt/59	18	8	Appleton WI	Wisconsin Milwaukee '53	operations
Alexander & Alexander	Tinsley H Irvin/55	35	1	Cornelia GA	Georgia St '55	insurance
Alexander & Baldwin	Robert J Pfeiffer/68	28	8	Fiji		operations
Allegheny Power	Klaus Bergman/57	16	3	Germany	Columbia '59	legal
Allegis	Stephen M Wolf/46	‡	‡	Oakland CA	San Francisco State '65	operations
Allied-Signal	Edward L Hennessy Jr/60	9	9	Boston MA	Fairleigh Dickinson '55	finance
Alltel	Joe T Ford/50	29	1	Conway AR	Arkansas '59	administration
Altus Bank	William L Watson III/42	‡	‡	Leland MS	Davidson '68/Harvard, MBA '71	banking

Company	Chief executive/age	with firm	as CEO	Birthplace	undergraduate/graduate	Professional background
Alcoa	Paul H O'Neill/52	1	1	St Louis MO	Cal St Fresno '60/Indiana, MPA '66	administration
AMAX	Allen Born/54	21	2	Durango CO	Texas El Paso '58	technical
Amdahl	John C Lewis/52	11	5	Livingston MT	Cal St Fresno '57	marketing
Amerada Hess	Leon Hess*/74	42	23	New York NY		administration
American Brands	William J Alley/58	21	1	Vernon TX	Oklahoma '51/Oklahoma, JD '54	insurance
American Capital	Jack D Burstein/42	4	4	Poland	CUNY City Col '66	finance
American Continental	Charles H Keating Jr/65	12	12	Cincinnati OH		finance
American Cyanamid	George J Sella Jr/59	34	5	West New York NJ	Princeton '50/Harvard, MBA '52	operations
American Electric	Willis S White Jr/61	40	12	Portsmouth VA	Virginia Polytech '48/MIT, MS '58	technical
American Express	James D Robinson III/52	17	11	Atlanta GA	Georgia Tech '57/Harvard, MBA '61	finance
American Family	John B Amos*/63	33	33	Enterprise AL	Miami '44/Florida, JD '49	legal
American General	Harold S Hook/56	18	10	Kansas City MO	Missouri '53/Missouri, MA '54	insurance
American Home Prod	John R Stafford/50	18	1	Harrisburg PA	George Washington '62	legal
American Intl Group	Maurice R Greenberg/63	27	21	New York NY	New York Law '50	insurance
American Medical	Walter L Weisman/53	19	3	Chicago IL	Stanford '56/Stanford, JD '59	operations

*Company founder. ‡New CEO, less than six months' service. [1]Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 25, 1988.

by family members active in the business. *Stock gains* include net value realized in shares or cash from the exercise of stock options or stock appreciation rights granted in prior years.

Those of our readers who happen to have seen a recent edition of *Business Week* magazine on executive compensation will find many surprises in our listings. That survey concluded that Jim Manzi of Lotus Development was the most richly compensated executive in the country last year. In our listing, though, Manzi, who took home $26 million, is only number two. Our number one was Charles Lazarus of Toys "R" Us, with $60 million. There are many other discrepancies between our list and the other magazine's. Why? The answer is simple: We surveyed 800 companies, while the other magazine surveyed only 339. Enough said.

The October market collapse notwithstanding, 1987 was a good year for most chief executives. No fewer than 273 of them earned $1 million or more last year. Thirteen had stock gains of $5 million or more—further evidence that what you own is often more important than what you earn.

Compensation (000)				% change	Rank	Stock owned		Company data¹		
salary + bonus	other	stock gains	total	salary + bonus	among 800 execs	%	mkt val (mil)	sales (mil)	profits (mil)	Company
$1,329	$3	$1,042	$2,373	12%	73	0.04%	$4.6	$4,388	$632.6	**Abbott Labs**
1,047	34	1,522	2,603	31	63	0.02	0.9	22,114	871.1	**Aetna Life**
438	—	1,792	2,230	12	82	5.36	106.2	490	183.3	**Affiliated Pubs**
838	1	735	1,574	7	135	0.10	1.4	2,648	200.2	**HF Ahmanson**
854	14	—	868	50	320	0.17	4.4	2,187	179.6	**Air Products**
771	22	3,930	4,723	11	26	0.53	10.6	5,869	125.4	**Albertson's**
363	13	—	376	18	677	0.32	0.8	1,831	19.0	**Alco Health Svcs**
1,191	29	123	1,343	99	172	0.43	4.6	3,673	88.0	**Alco Standard**
489	10	—	499	NA	579	0.11	1.0	1,119	64.9	**Alexander & Alex**
1,064	147	1,220	2,430	11	68	0.43	6.1	631	120.4	**Alexander & Bald**
293	—	—	293	11	732	‡	0.1	1,981	207.0	**Allegheny Power**
575*	—	—	575	NA	522	‡	§	8,293	335.1	**Allegis**
1,380	421	—	1,800	–1	111	0.08	3.6	11,116	597.0	**Allied-Signal**
588	—	—	588	NA	514	0.43	4.4	736	104.4	**Alltel**
240*	—	—	240	NA	760	‡	§	283	0.1	**Altus Bank**
564†	—	—	564	NA	529	‡	0.0	7,767	224.0	**Alcoa**
963	113	—	1,076	45	248	0.02	0.5	3,383	79.3	**AMAX**
898	774	2,805	4,477	9	29	0.22	4.7	1,5[illegible]6	142.0	**Amdahl**
200	10	—	210	0	771	12.59	326.5	4,7[illegible]	229.9	**Amerada Hess**
985	30	103	1,118	NA	231	‡	0.4	6,029	522.7	**American Brands**
374	—	—	374	–11	680	4.51	3.4	539	0.2	**American Capital**
1,955	—	1,223	3,178	10	49	15.50	18.1	731	22.1	**Am Continental**
1,411	—	861	2,272	40	80	0.06	2.5	4,166	275.6	**Am Cyanamid**
585	12	—	597	6	508	0.02	0.8	4,788	502.5	**American Electric**
1,973	71	989	3,033	–20	53	‡	8.7	17,768	533.3	**American Express**
2,957	68	—	3,025	42	56	2.56	31.6	1,876	102.1	**American Family**
1,059	221	1,163	2,443	13	67	0.11	4.3	7,157	563.0	**American General**
1,310	—	—	1,310	69	182	0.03	3.5	5,028	845.1	**American Home**
875	—	2,654	3,529	6	42	2.22	190.1	11,278	932.0	**American Intl**
650	—	—	650	0	462	0.10	1.4	2,735	105.1	**American Medical**

*Annualized salary. †Salary not annualized. ‡Less than 0.01%. §Less than $100,000. NA: Not available.

The median compensation for the 800 executives on these pages was $762,253 in 1987, an 8% increase over 1986. Excessive? Not when compared with our list last year of the country's best-paid entertainers, where the median income (Billy Joel's) was $12 million.

Corporate America's Most Powerful People

Company	Chief executive/age	Tenure (years) with firm	as CEO	Birthplace	Education undergraduate/graduate	Professional background
American Natl Ins	Orson C Clay/57	18	11	Bountiful UT	Brigham Young '55/Harvard, MBA '59	finance
American Petrofina	Kenneth W Perry/56	31	2	Shamrock TX	Oklahoma '54	technical
American President	W Bruce Seaton/63	18	5	Philadelphia PA	UCLA '49	finance
American S&L Fla	Edward P Mahoney/40	10	1	Toledo OH	Alabama '69	banking
American Savings	John T Morgan/58	16	9	New York NY	Minnesota '51/Harvard, MPA '63	banking
American Stores	Lennie S Skaggs/64	43	22	Yakima WA		retailing
American Tel & Tel	Robert E Allen/53	31	‡	Joplin MO	Wabash '57	administration
AmeriFirst Bank	Thomas R Bomar/50	12	2	Sherman TX	Cal St Northridge '60/UCLA, MBA '61	banking
Ameritech	William L Weiss/59	37	4	Big Run PA	Penn St '51	operations
AmeriTrust	Jerry V Jarrett/56	14	4	Abilene TX	Oklahoma '57/Harvard, MBA '63	banking
Ames Dept Stores	Peter B Hollis/45	2	1	Newton MA	Vermont '65	retailing
Amfac	Richard L Griffith/57	3	‡	Blue Hill NE	Colorado '53/Georgetown, JD '58	legal
Amoco	Richard M Morrow/62	40	5	Wheeling WV	Ohio St '48	technical
Amoskeag	Joseph B Ely II/49	17	10	Boston MA	Boston U '65	operations
AMP	Walter F Raab/63	35	6	Philadelphia PA	Pennsylvania '45	finance
AMR	Robert L Crandall/53	15	3	Westerly RI	Rhode Island '57/Pennsylvania, MBA '60	finance
AmSouth Bancorp	John W Woods/56	19	16	Evanston IL	U of the South '54	banking
Anadarko Petroleum	Robert J Allison Jr/49	15	12	Evanston IL	Kansas '60	technical
Anchor Savings Bank	Donald L Thomas/71	22	19	Niagara Falls NY	Niagara '39	banking
Anheuser-Busch Cos	August A Busch III/50	31	13	St Louis MO		operations
Aon	Patrick G Ryan/51	24	6	Milwaukee WI	Northwestern '59	insurance
Apple Bank	Jerome R McDougal Jr/60	7	2	Lynbrook NY		banking
Apple Computer	John Sculley/49	5	5	New York NY	Brown '61/Pennsylvania, MBA '63	marketing
Archer-Daniels	Dwayne O Andreas/70	18	18	Worthington MN		finance
Argonaut Group	Charles E Rinsch/46	23	‡	Inglewood CA	Indiana '53/Stanford, MBA '60	technical
Aristech Chemical	Thomas Marshall/59	39	1	Pittsburgh PA	Pittsburgh '57	operations
Arkla	Thomas F McLarty III/41	5	3	Hope AR	Arkansas '69	administration
Armco	Robert E Boni/60	31	3	Canton OH	Cincinnati '51/Carnegie-Mellon, PhD '54	technical
Armstrong World Inds	William W Adams/54	32	‡	Dubuque IA	Iowa St '56	administration
Asarco	Richard de J Osborne/54	13	2	Bronxville NY	Princeton '56	finance
Ashland Oil	John R Hall/55	30	7	Houston TX	Vanderbilt '55	operations
Atlantic Energy	E Douglas Huggard/54	33	3	Wilmington DE	Delaware '55/Delaware, MME '60	technical
Atlantic Financial	Donald R Caldwell/41	5	4	Boston MA	Babson '67/Harvard, MBA '73	banking
Atlantic Richfield	Lodwrick M Cook/59	32	3	Castor LA	Louisiana St '50/SMU, MBA '65	operations
Automatic Data	Josh S Weston/59	18	5	Brooklyn NY	CUNY City '50/U of N Zealand, MA '52	operations
Avery International	Charles D Miller/60	24	10	Hartford CT	Johns Hopkins '49	marketing
Avnet	Anthony R Hamilton/63	31	8	North Bergen NJ		marketing
Avon Products	Hicks B Waldron/64	5	5	Amsterdam NY	Minnesota '44	marketing
Baker Hughes	James D Woods/56	33	1	Falmouth KY	Cal St Fullerton '66	finance
Ball Corp	Richard M Ringoen/62	18	7	Ridgeway IA	Iowa '47/Iowa, MS '48	technical
Bally Manufacturing	Robert E Mullane Jr/56	15	8	Cincinnati OH	Georgetown '54/Harvard, MBA '56	administration
Baltimore Bancorp	Harry L Robinson/59	41	3	Baltimore MD		banking
Baltimore G&E	George V McGowan/60	21	‡	Baltimore MD	Maryland '51	technical
Banc One	John B McCoy/44	21	4	Columbus OH	Williams '65/Stanford, MBA '67	banking
Banco Popular PR	Rafael Carrión Jr/73	56	32	Santurce PR		banking

‡New CEO, less than six months' service [1]Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 25, 1988. [2]Figures are for year ended 1/31/87. [3]New CEO in 1988, salary data NA

Compensation (000) salary + bonus	other	stock gains	total	% change salary + bonus	Rank among 800 execs	Stock owned %	mkt val (mil)	Company data[1] sales (mil)	profits (mil)	Company
$438	$52	—	$490	14%	590	0.09%	$0.8	$902	$92.1	**Amer Natl Ins**
397	15	—	412	8[illegible]	655	0.11	1.0	2,484	83.3	**Amer Petrofina**
718	71	—	789	34	377	0.46	2.6	1,825	79.1	**Amer President**
285	1	—	286	NA	736	0.38	0.5	245	2.7	**American S&L Fla**
401	27	—	428	–1	642	0.53	0.5	365	21.4	**American Savings**
1,044[2]	—	—	1,044	5	258	10.91	204.8	14,272	154.3	**American Stores**
900	180	—	1,080	NA	246	‡	0.6	33,598	2,044.0	**Am Tel & Tel**
602	58	—	660	2	455	0.47	0.8	414	11.1	**AmeriFirst Bank**
1,150	37	$403	1,589	24	134	‡	0.8	9,536	1,188.1	**Ameritech**
385	15	—	400	–28	664	0.07	0.5	934	–10.1	**AmeriTrust**
594	6	—	600	NA	507	0.06	0.4	2,112	33.0	**Ames Dept Stores**
350*	—	—	350	NA	694	0.01	0.1	2,195	5.0	**Amfac**
1,000	270	1,125	2,396	–15	71	0.02	4.2	20,174	1,360.0	**Amoco**
862	38	—	899	NA	310	0.51	0.3	1,436	0.3	**Amoskeag**
541	—	550	1,091	10	242	0.04	1.9	2,318	249.7	**AMP**
954	371	162	1,488	14	147	0.08	2.0	7,198	198.4	**AMR**
480	-	—	480	–1	601	0.23	1.4	640	60.2	**AmSouth Bancorp**
563	—	160	723	36	415	0.62	7.8	230	9.1	**Anadarko Petrol**
747	18	—	765	NA	391	0.17	0.2	678	24.9	**Anchor Savings**
1,455	16	6,525	7,997	10	11	0.06	5.5	8,258	614.7	**Anheuser-Busch**
658	59	—	717	17	419	13.42	211.9	2,469	156.2	**Aon**
431	28	—	459	72	618	0.83	1.1	254	19.2	**Apple Bank**
2,140	—	—	2,140	26	87	0.13	6.6	3,041	280.4	**Apple Computer**
977	—	88	1,064	10	251	0.18	6.7	6,181	331.3	**Archer-Daniels**
NA[3]	—	—	—	NA	—	0.02	0.1	426	170.8	**Argonaut Group**
776	—	—	776	NA	384	0.04	0.3	919	69.7	**Aristech Chem**
484	61	—	545	33	545	0.04	0.6	1,188	78.3	**Arkla**
523	10	90	623	7	483	0.03	0.3	2,927	105.4	**Armco**
376	—	—	376	NA	678	0.02	0.4	2,365	150.4	**Armstrong World**
1,140	10	—	1,150	NA	221	0.03	0.3	1,355	208.4	**Asarco**
870	7	629	1,506	3	144	0.07	1.5	7,308	146.2	**Ashland Oil**
271	2	—	273	17	740	0.03	0.2	648	73.8	**Atlantic Energy**
344	—	—	344	2	699	0.49	0.1	720	4.8	**Atlantic Finl**
1,450	—	507	1,957	46	100	0.03	5.4	16,282	1,224.0	**Atlantic Richfield**
508	—	97	605	16	504	0.20	6.3	1,467	149.8	**Automatic Data**
804	39	—	844	8	335	0.16	1.5	1,466	34.7	**Avery Intl**
815	—	1,131	1,946	14	101	0.16	1.5	1,671	37.3	**Avnet**
969	84	—	1,053	–15	255	0.05	0.8	2,763	159.1	**Avon Products**
619	12	—	631	NA	474	0.10	2.1	2,007	–230.3	**Baker Hughes**
500	—	543	1,043	4	259	0.52	3.8	1,054	66.3	**Ball Corp**
1,820	121	—	1,941	8	102	1.05	4.7	1,676	57.1	**Bally Mfg**
311	—	21	332	NA	707	0.05	0.1	249	22.4	**Baltimore Bancp**
345	21	—	365	NA	683	0.04	1.0	1,809	300.1	**Baltimore G&E**
836	—	—	836	34	341	0.15	3.7	1,960	208.9	**Banc One**
234	20	—	254	–2	755	0.03	0.1	457	38.3	**Banco Popular PR**

*Annualized salary. ‡Less than 0.01%. NA: Not available.

Corporate America's Most Powerful People

Company	Chief executive/age	Tenure (years) with firm	Tenure (years) as CEO	Birthplace	Education undergraduate/graduate	Professional background
Bancorp Hawaii	Frank J Manaut/64	37	8	Alhambra CA	UCLA '47	banking
Bank of Boston	Ira Stepanian/52	25	1	Cambridge MA	Tufts '58/Boston C, MBA '71	banking
Bank of New England	Walter J Connolly Jr/60	27	8	Boston MA	Yale '50	banking
Bank of New York	John Carter Bacot/55	28	6	Utica NY	Hamilton '55/Cornell, LLB '58	finance
Bank South	Robert P Guyton/51	8	7	Blue Mountain MS	Mississippi '58/Harvard, MBA '66	banking
BankAmerica	Alden W Clausen/65	39	2	Hamilton IL	Minnesota '49	banking
Bankers Trust NY	Charles S Sanford Jr/51	27	1	Savannah GA	Georgia '58/Pennsylvania, MBA '60	banking
BanPonce	Alberto M Paracchini/56	32	5	Ponce PR	Pennsylvania '53/Pennsylvania, MBA '57	finance
CR Bard	Robert H McCaffrey/61	12	12	Syracuse NY	Syracuse '49	sales
Barnett Banks	Charles E Rice/52	23	9	Chattanooga TN	Miami '58/Rollins, MBA '64	banking
Battle Mountain Gold	Douglas J Bourne/65	42	3	Tulsa OK	Oklahoma '43	technical
Bausch & Lomb	Daniel E Gill/51	10	7	Ziegler IL	Northwestern '58	finance
Baxter Travenol	Vernon R Loucks Jr/53	22	8	Evanston IL	Yale '57/Harvard, MBA '63	marketing
BayBanks	William M Crozier Jr/55	24	14	Brooklyn NY	Yale '54/Harvard, MBA '63	banking
Bear Stearns Cos	Alan C Greenberg/60	39	10	Wichita KS	Missouri '49	investment
Becton Dickinson	Wesley J Howe/66	39	14	Jersey City NJ	Stevens Inst Tech '43/MS '53	administration
Bell Atlantic	Thomas E Bolger/60	45	5	Norfolk NE	SD Sch Mines '49	administration
BellSouth	John L Clendenin/54	33	4	El Paso TX	Northwestern '55	operations
Beneficial Corp	Finn M W Caspersen/46	16	12	New York NY	Harvard '66	finance
Benj Franklin S&L	G Dale Weight/54	5	5	Salt Lake UT	Utah '59/Oregon, PhD '68	banking
Bergen Brunswig	Emil P Martini Jr/59	36	19	Teaneck NJ	Purdue '50	technical
Berkshire Hathaway	Warren E Buffett/57	23	18	Omaha NE	Nebr Omaha '50/Columbia, MBA '51	investment
Best Products	Robert E R Huntley/58	4	1	Winston-Salem NC	Washington & Lee '57/Harvard, LLM '62	legal
Bethlehem Steel	Walter F Williams/59	37	2	Upland PA	Delaware '51	operations
Beverly Enterprises	Robert Van Tuyle/75	17	14	Manchester IL	Cincinnati '34	administration
Black & Decker	Nolan D Archibald/44	3	2	Ogden UT	Weber St '68/Harvard, MBA '70	finance
H&R Block	Henry W Bloch*/65	33	33	Kansas City MO	Michigan '43	administration
Boatmen's Bancshares	Andrew B Craig III/57	3	‡	Buffalo NY	SUNY Buffalo '55	banking
Boeing	Frank A Shrontz/56	30	2	Boise ID	Idaho '54/Harvard, MBA '58	administration
Boise Cascade	John B Fery/58	31	16	Bellingham WA	Washington '53/Stanford, MBA '55	operations
Borden	Romeo J Ventres/63	31	2	Boston MA	Worcester Polytech '45	operations
Boston Edison	Stephen J Sweeney/59	35	4	Winthrop MA	Mt St Mary's '50	technical
Bowater	Anthony P Gammie/53	33	5	England		operations
Branch Corp	L Vincent Lowe Jr/51	27	6	Chadbourn NC	N Carolina '59	banking
Bristol-Myers	Richard L Gelb/63	38	16	New York NY	Yale '45/Harvard, MBA '50	administration
Brown-Forman	W L Lyons Brown Jr/51	28	12	Louisville KY	Virginia '58	marketing
Brown Group	Bernard A Bridgewater Jr/54	9	6	Tulsa OK	Oklahoma '58/Harvard, MBA '64	administration
Browning-Ferris Inds	Harry J Phillips Sr*/58	17	10	Memphis TN		operations
Brunswick	Jack F Reichert/57	31	6	West Allis WI		marketing
Burlington Northern	Richard M Bressler/57	8	8	Wayne NE	Dartmouth '52	finance

* Company founder. ‡ New CEO, less than six months' service. [1]Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 25, 1988.

Compensation (000)				% change	Rank	Stock owned		Company data[1]		
salary + bonus	other	stock gains	total	salary + bonus	among 800 execs	%	mkt val (mil)	sales (mil)	profits (mil)	Company
$585	$13	$1,271	$1,869	40%	105	0.31%	$1.5	$493	$53.9	Bancorp Hawaii
636	50	—	686	NA	437	0.06	0.9	4,269	19.7	Bank of Boston
848	—	—	848	30	329	0.05	0.9	2,629	140.5	Bank New England
903	392	31	1,327	16	177	0.22	2.3	2,141	103.4	Bank of New York
313	16	—	329	–28	709	0.17	0.6	396	27.0	Bank South
775	33	—	808	35	364	0.04	0.6	9,753	–955.0	BankAmerica
1,750	63	370	2,184	NA	84	0.04	1.0	5,693	1.2	Bankers Trust NY
262	—	—	262	–1	748	0.07	0.1	255	12.0	BanPonce
815	101	—	916	30	303	0.36	4.1	641	62.3	CR Bard
828	12	—	840	15	337	0.07	1.2	2,286	195.6	Barnett Banks
336	—	—	336	NA	702	0.13	1.4	123	47.6	Battle Mtn Gold
814	146	—	960	16	285	0.06	0.8	840	85.3	Bausch & Lomb
1,202	50	118	1,370	32	164	0.10	5.1	6,223	331.0	Baxter Travenol
465	39	174	679	15	441	0.28	1.8	771	69.4	BayBanks
5,712	—	—	5,712	NA	21	0.67	6.9	1,837	129.9	Bear Stearns Cos
1,298	—	—	1,298	30	186	0.05	1.1	1,636	135.2	Becton Dickinson
1,217	68	—	1,285	13	191	0.02	2.1	10,298	1,240.4	Bell Atlantic
1,120	50	2	1,172	7	215	‡	0.9	12,269	1,664.8	BellSouth
982	14	—	995	17	274	3.16	32.0	1,242	142.2	Beneficial Corp
305	—	—	305	12	723	0.60	0.3	469	14.8	Benj Franklin
738	—	—	738	3	401	1.10	3.9	3,358	20.8	Bergen Brunswig
100	—	—	100	–1	783	44.68	1907	2,338	234.6	Berkshire Hathwy
532	—	—	532	NA	557	0.03	0.1	2,067	25.0	Best Products
459	25	216	700	11	432	0.03	0.3	4,621	103.9	Bethlehem Steel
617	23	—	641	–17	470	0.92	3.2	2,094	–32.8	Beverly Ent
711	82	—	793	18	376	‡	0.1	2,018	64.3	Black & Decker
545	3	—	548	8	543	7.70	100.2	737	72.8	H&R Block
493	—	—	493	NA	583	0.03	0.2	842	81.4	Boatmen's Bancsh
737	16	—	754	9	396	‡	0.1	15,355	480.0	Boeing
787	40	—	827	33	347	0.18	3.8	3,821	183.0	Boise Cascade
1,171	193	49	1,413	43	156	0.04	1.5	6,514	267.1	Borden
334	—	—	334	0	706	‡	§	1,181	97.7	Boston Edison
649	26	533	1,207	30	207	0.05	0.6	1,231	81.1	Bowater
436	12	—	449	23	626	0.21	0.6	360	33.5	Branch Corp
1,297	68	—	1,365	2	165	0.36	42.6	5,401	709.6	Bristol-Myers
733	97	—	830	6	346	30.22	466.0	1,101	108.0	Brown-Forman
807	24	—	831	54	345	0.24	1.6	1,678	46.9	Brown Group
580	5	—	585	5	517	0.53	18.9	1,761	184.4	Browning-Ferris
1,155	4,707	—	5,862	12	19	0.56	11.6	3,086	168.8	Brunswick
1,200	—	158	1,359	33	166	0.05	2.5	6,621	369.3	Burlington North

‡Less than 0.01%. §Less than $100,000. NA: Not available.

The 87 chief executives who hold no college degree earned a median $735,000 last year, versus a median $746,000 for the 378 who completed their education with an undergraduate degree. The 323 executives with graduate degrees earned a median $773,000.

Corporate America's Most Powerful People

		Tenure (years)			Education	
Company	Chief executive/age	with firm	as CEO	Birthplace	undergraduate/graduate	Professional background
Cabot	Samuel W Bodman/49	1	‡	Chicago IL	Cornell '61/MIT, PhD '64	investment
CalFed	George P Rutland/55	6	3	Tifton GA	Pace '61	banking
California First Bk	Seishichi Itoh/53	16	3	Japan	Osaka '57	banking
CalMat	A Frederick Gerstell/50	13	‡	New York NY	Princeton '60	administration
Campbell Soup	R Gordon McGovern/61	32	7	Norristown PA	Brown '48/Harvard, MBA '50	marketing
Capital Cities/ABC	Thomas S Murphy/63	34	22	Brooklyn NY	Cornell '45/Harvard, MBA '49	administration
Capital Holding	Irving W Bailey II/46	7	‡	Cambridge MA	Colorado '63/NYU, MBA '68	investment
Carnival Cruise Lines	Micky Arison/38	14	1	Israel		administration
Carolina Power & Lt	Sherwood H Smith Jr/53	23	9	Jacksonville FL	N Carolina '56/N Carolina, JD '60	legal
Carter Hawley Hale	Philip M Hawley/62	30	11	Portland OR	Calif Berkeley '47	retailing
Carteret Bancorp	Robert B O'Brien Jr/53	13	13	New York NY	Lehigh '57	banking
Castle & Cooke	David H Murdock/65	6	3	Kansas City MO		investment
Caterpillar	George A Schaefer/59	37	3	Covington KY	St Louis '51	finance
CBS	Laurence A Tisch/65	2	2	Brooklyn NY	NYU '42/Pennsylvania, MA '43	finance
Centel	John P Frazee Jr/43	16	1	Staunton VA	Randolph-Macon '66	operations
Centerior Energy	Robert M Ginn/64	40	9	Detroit MI	Michigan '48/Michigan, MS '48	technical
Centerre Bancorp	Clarence C Barksdale/55	30	10	St Louis MO	Brown '54	banking
Centex	Paul R Seegers/58	27	10	Hammond IN	Valparaiso '52/Northwestern, MBA '58	finance
Central & So West	Durwood Chalker/64	38	8	Eolian TX	Texas A&M '50	technical
Central Bancshares	Harry B Brock Jr*/62	17	17	Fort Paye AL	Alabama '49	sales
Central Fidelity Bks	Carroll L Saine/53	31	7	Lincolnton NC	Lenoir-Rhyne '54/Richmond, MS '65	banking
Central Ill Pub Svc	Donald G Raymer/63	40	8	Jackson MI	Michigan '48/MIT, MS '60	operations
CenTrust Savings Bank	David L Paul/49	5	4	New York NY	Pennsylvania '61/Columbia, JD '67	investment
Champion Intl	Andrew C Sigler/56	32	14	Brooklyn NY	Dartmouth '53/Dartmouth, MBA '56	sales
Chase Manhattan	Willard C Butcher/61	41	8	Bronxville NY	Brown '47	banking
Chemical Banking[4]	Walter V Shipley/52	32	5	Newark NJ	NYU '61	banking
Chevron	George M Keller/64	40	7	Kansas City MO	MIT '48	technical
Chicago Pacific	Harvey Kapnick/62	4	4	Palmyra MI	Cleary '47	finance
Chrysler	Lee A Iacocca/63	10	9	Allentown PA	Lehigh '45/Princeton, ME '46	operations
Chubb	Henry U Harder/63	40	7	New York NY	Yale '45	insurance
Cigna	Robert D Kilpatrick/64	34	12	Fairbanks LA	Richmond '48	insurance
Cincinnati Bell	Dwight H Hibbard/64	39	4	Hadley MA	MIT '49	technical
Cincinnati Financial	John J Schiff/72	38	15	Cincinnati OH	Ohio St '38	insurance
Cincinnati G&E	Jackson H Randolph/57	29	2	Cincinnati OH	Cincinnati '58/Cincinnati, MBA '68	finance
Circle K	Karl Eller/59	5	5	Chicago IL	Arizona '52	marketing
Circus Circus	William G Bennett*/63	14	14	Phoenix AZ		administration
Citadel Holding	James A Taylor/63	3	1	Lodi CA		investment
Citicorp	John S Reed/49	23	4	Chicago IL	MIT '61/MIT, MS '65	banking
Citizens & Southern	Bennett A Brown/58	33	10	Kingstree SC	Presbyterian '50	banking
Citizens Utilities	Ishier Jacobson/65	33	7	Worcester MA	Harvard '51/Harvard, MS '47	administration
City National	Bram Goldsmith/65	13	13	Chicago IL		finance
CityFed Financial	Alfred J Hedden/64	36	2	Stirling NJ		banking
Clorox	Charles R Weaver/59	35	3	Kingman IN	Purdue '50	marketing
CMS Energy	William T McCormick Jr/43	3	3	Washington DC	Cornell '66/MIT, PhD '69	technical
Coast S&L Assn	Ray Martin/52	29	4	Pima AZ		banking

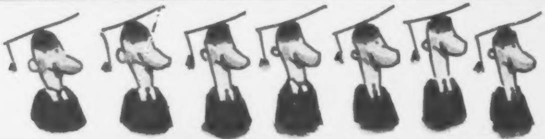
*Company founder. ‡New CEO, less than six months' service. [1] Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 25, 1988. [2] Shares are held in a family trust. [3] Figures are for year ended 1/31/87 [4] Formerly Chemical New York. [5] Figures are for year ended 12/31/86.

Compensation (000)				% change	Rank	Stock owned		Company data[1]		
salary + bonus	other	stock gains	total	salary + bonus	among 800 execs	%	mkt val (mil)	sales (mil)	profits (mil)	Company
$300	—	—	$300	NA	726	0.31%	$3.2	$1,464	$36.6	Cabot
940	$53	—	992	11%	275	0.02	0.1	2,484	166.9	CalFed
262	35	—	296	7	729	0.03	0.1	581	40.1	Calif First Bk
459	22	$318	799	NA	372	0.18	2.3	602	78.1	CalMat
696	25	286	1,007	8	271	‡	0.3	4,642	265.2	Campbell Soup
700	101	—	801	9	366	0.80	42.8	4,440	279.1	Cap Cities/ABC
634	11	132	777	NA	382	0.08	1.1	3,351	172.1	Capital Holding
530	—	—	530	NA	560	[2]	§	564	152.8	Carnival Cruise
399	4	—	403	28	660	0.04	1.1	2,082	343.4	Carolina P&L
665[3]	3	—	668	3	449	0.17	0.4	2,641	–86.3	Carter Hawley
756	8	—	764	21	392	0.41	0.9	594	29.8	Carteret Bancorp
1,200	—	—	1,200	0	210	26.53	298.5	1,749	97.4	Castle & Cooke
493	7	468	968	10	284	0.01	0.8	8,180	319.0	Caterpillar
1,181	9	—	1,189	NA	211	‡	§	2,762	452.8	CBS
445	86	—	531	NA	558	0.02	0.5	1,476	157.1	Centel
440	18	—	458	21	619	0.03	0.7	1,946	390.4	Centerior Energy
491	16	42	549	4	541	0.23	0.7	500	15.1	Centerre Bancorp
531	25	—	557	15	533	0.63	2.4	1,375	26.0	Centex
460	82	—	543	11	548	0.08	2.5	2,436	372.0	Central & So W
264	8	—	272	–42	742	4.94	14.7	360	33.5	Central Bancshrs
340	12	—	352	–17	693	0.21	0.8	404	47.3	Central Fidelity
224	—	—	224	8	766	0.02	0.1	591	70.3	Central Ill Pub
762	6	—	768	41	388	42.41	33.0	837	30.7	CenTrust Savings
1,139	16	1,303	2,458	32	66	0.07	2.2	4,615	382.0	Champion Intl
1,041	316	654	2,011	–5	95	0.03	0.7	10,745	–894.8	Chase Manhattan
580	158	—	738	–19	402	0.06	1.2	6,628	–853.7	Chemical Banking
1,298	267	—	1,565	9	136	0.02	3.2	26,015	1,007.0	Chevron
650	—	—	650	NA	462	1.26	4.5	1,412	34.7	Chicago Pacific
1,491	2,706	13,459	17,656	–12	3	0.16	8.2	26,277	1,289.7	Chrysler
969	34	—	1,003	23	272	0.05	1.2	3,714	330.1	Chubb
1,260	34	—	1,293	3	188	0.02	0.8	16,909	719.1	Cigna
507	50	107	663	39	451	0.12	0.9	634	64.4	Cincinnati Bell
422	—	—	422	8	647	3.82	29.1	883	93.2	Cincinnati Finl
258	5	—	262	37	749	0.02	0.2	1,357	113.9	Cincinnati G&E
431	—	—	431	–2	640	5.78	37.7	2,564	51.6	Circle K
601	—	—	601	NA	506	25.79	239.0	459	61.9	Circus Circus
253	1	—	254	NA	754	0.06	0.1	340	26.5	Citadel Holding
840	47	85	972	–26	282	0.11	7.4	27,519	–1,138.0	Citicorp
432	194	—	626	6	481	0.18	2.6	1,854	157.9	Citizens & South
440[5]	10	—	450	NA	625	0.07	0.9	274	63.9	Citizens Utils
821	—	—	821	8	350	15.54	76.5	309	40.9	City National
468	56	—	524	–4	563	0.54	0.5	1,102	10.7	CityFed Finl
575	29	—	604	18	505	0.13	2.0	1,184	120.9	Clorox
509	—	—	509	27	573	0.03	0.5	2,801	186.9	CMS Energy
533	—	—	533	32	555	0.05	0.1	1,044	57.1	Coast S&L Assn

‡Less than 0.01%. §Less than $100,000. NA: Not available.

Corporate America's Most Powerful People

Company	Chief executive/age	Tenure (years)		Birthplace	Education	Professional background
		with firm	as CEO		undergraduate/graduate	
Coastal Corp	Oscar S Wyatt Jr*/63	33	33	Beaumont TX	Texas A&M '49	technical
Coca-Cola	Roberto C Goizueta/56	34	7	Cuba	Yale '53	technical
Coca-Cola Enterprises	Brian G Dyson/52	29	2	Argentina	U of Buenos Aires '59	finance
Colgate-Palmolive	Reuben Mark/49	25	4	Jersey City NJ	Middlebury '60/Harvard, MBA '63	marketing
Colorado Natl Bkshs	Will F Nicholson Jr*/59	18	3	Colorado Spr CO	MIT '50/Denver, MBA '56	banking
Colt Industries	David I Margolis/58	25	4	New York NY	CUNY City Col '50/MBA '52	finance
Columbia Gas System	John H Croom/55	34	4	Fayetteville NC	N Carolina St '54	marketing
Columbia S&L Assn	Thomas Spiegel/42	11	11	Czechoslovakia	USC '65	finance
Combustion Eng	Charles E Hugel/59	6	4	Plainfield NJ	Lafayette '51	operations
Comcast	Ralph J Roberts*/68	26	26	New York NY	Pennsylvania '41	administration
Comdisco	Kenneth N Pontikes*/48	19	19	Chicago IL	Southern Illinois '63	marketing
Comerica	Donald R Mandich/62	38	7	West Allis WI	Michigan '46/Michigan, MBA '50	banking
Commerce Bcshs	David W Kemper/37	10	2	Kansas City MO	Harvard '72/Stanford, MBA '76	banking
Commerce Clearing	Richard T Merrill/59	35	8	Chicago IL	Missouri '51	administration
Commercial Credit	Sanford I Weill/55	2	2	New York NY	Cornell '55	finance
Commercial Federal	William A Fitzgerald/50	33	13	Omaha NE	Creighton '59	banking
Commonwealth Ed	James J O'Connor/51	25	8	Chicago IL	Holy Cross '58/Georgetown, JD '63	administration
Community Psych	James W Conte*/60	19	11	Des Plaines IL	Iowa St '50/Northwestern, MS '57	administration
Compaq Computer	Joseph R Canion*/43	6	6	Houston TX	Houston '66/Houston, MS '68	technical
Computer Associates	Charles B Wang*/43	12	12	China	CUNY Queens '67	technical
ConAgra	Charles M Harper/60	14	12	Lansing MI	Purdue '49/Chicago, MBA '50	administration
Consolidated Edison	Arthur Hauspurg/62	19	7	New York NY	Columbia '45/Columbia, MS '47	technical
Consol Freightways	Lary R Scott/52	21	‡	Cleveland OH	Bowling Green State U '61	operations
Consol Natural Gas	George A Davidson Jr/49	22	1	Pittsburgh PA	Pittsburgh '60	technical
Consolidated Papers	George W Mead/60	36	22	Milwaukee WI	Yale '50/Inst Paper Chem, MS '52	operations
Consolidated Rail	L Stanley Crane/72	7	7	Cincinnati OH	George Washington '38	operations
Contel	Donald W Weber/51	24	1	Turtle Creek PA	Duquesne '61	finance
Continental Corp	John P Mascotte/49	7	5	Fort Wayne IN	Virginia '64	insurance
Continental Illinois	Thomas C Theobald/51	1	1	Cincinnati OH	Holy Cross '58/Harvard, MBA '60	banking
Control Data	Robert M Price/57	27	2	New Bern NC	Duke '52/Georgia Tech, MS '58	administration



Company	Chief executive/age	Tenure (years)		Birthplace	Education	Professional background
		with firm	as CEO		undergraduate/graduate	
Cooper Industries	Robert Cizik/57	27	13	Scranton PA	Connecticut '53/Harvard, MBA '58	finance
Adolph Coors	Jeffrey H Coors/43	20	3	Greenwich CT	Cornell '67/Cornell, MS '68	technical
CoreStates Financial	Terrence A Larsen/41	11	‡	Philadelphia PA	Dallas '68/Texas A&M, PhD '71	finance
Corning Glass Works	James R Houghton/52	26	5	Corning NY	Harvard '58/Harvard, MBA '62	administration
Costco Wholesale	Jeffrey H Brotman*/45	5	5	Tacoma WA	Washington '64/Washington, JD '67	legal
CPC International	James R Eiszner/60	25	4	Chicago IL	Illinois '50/Chicago, PhD '52	sales
Cray Research	John A Rollwagen/47	13	8	Minneapolis MN	MIT '62/Harvard, MBA '64	marketing
Crestar Financial	Richard G Tilghman/47	21	3	Norfolk VA	Virginia '63	banking
CrossLand Savings FSB	Maurice L Reissman/45	20	1	Brooklyn NY		banking
Crown Cork & Seal	John F Connelly/83	32	31	Philadelphia PA		sales

*Company founder. ‡New CEO, less than six months' service. [1] Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 25, 1988. [2] Figures are for year ended 12/31/86. [3] Shares are held in a family trust.

Compensation (000)				% change	Rank	Stock owned		Company data[1]		
salary + bonus	other	stock gains	total	salary + bonus	among 800 execs	%	mkt val (mil)	sales (mil)	profits (mil)	Company
$911	$15	—	$926	–3%	298	5.51%	$93.1	$7,429	$113.1	Coastal Corp
1,823	316	$969	3,107	8	51	0.24	34.3	7,658	916.1	Coca-Cola
800	118	1,390	2,308	60	78	‡	0.1	3,329	88.4	Coca-Cola Ent
992	34	409	1,436	16	153	0.09	2.4	5,647	54.0	Colgate
288	—	—	288	15	734	1.01	1.4	293	0.5	Colo Natl Bkshs
1,272	—	—	1,272	15	193	‡	§	1,642	75.0	Colt Industries
497	431	—	927	9	297	0.04	0.5	2,798	111.3	Columbia Gas Sys
3,860[2]	239	—	4,099	0	35	3.36	4.1	1,230	119.3	Columbia S&L
933	8	478	1,419	10	155	0.04	0.4	3,042	56.6	Combustion Eng
337[2]	6	434	777	NA	383	12.28	125.2	309	–9.4	Comcast
2,000	10	—	2,010	7	96	21.65	190.5	1,208	30.0	Comdisco
752	—	—	752	30	397	0.10	0.6	946	71.4	Comerica
388	4	—	392	28	670	1.09	3.8	452	40.1	Commerce Bcshs
365	30	—	394	9	667	0.09	1.0	551	52.8	Commerce Clear
708	—	—	708	NA	425	0.83	8.6	912	18.3	Commercial Credit
540	—	—	540	59	551	0.99	0.7	502	18.0	Commercial Fedl
442	—	—	442	15	633	‡	0.3	5,674	1,085.8	Commonwealth Ed
925	51	7,640	8,617	61	10	1.56	16.3	285	60.0	Community Psych
1,375	—	—	1,375	NA	162	0.34	6.1	1,224	136.3	Compaq Computer
980	—	—	980	NA	278	9.27	125.2	605	79.2	Computer Assocs
1,168	1,260	477	2,906	11	58	1.31	26.9	9,272	147.4	ConAgra
515	182	—	697	7	434	0.01	0.6	5,094	550.1	Consol Edison
394	86	—	481	NA	599	0.03	0.3	2,297	74.6	Consol Freight
411	72	139	622	NA	484	0.03	0.8	2,322	186.0	Consol Natural Gas
370	3	—	373	5	681	0.90	13.9	743	95.8	Consol Papers
619	11	—	629	NA	476	‡	0.1	3,247	267.0	Conrail
472	24	358	854	NA	326	0.02	0.5	2,905	43.0	Contel
826	491	238	1,554	78	140	0.02	0.4	5,801	184.7	Continental Corp
650*	9	—	659	NA	456	0.02	0.1	2,788	–609.5	Continental Ill
886	332	—	1,218	7	203	0.22	2.3	3,367	25.0	Control Data
880	—	744	1,624	9	130	0.20	5.8	3,586	173.8	Cooper Inds
365	—	—	365	–15	684	[3]	§	1,351	48.1	Adolph Coors
458	136	—	594	NA	509	0.03	0.5	1,449	162.3	CoreStates Finl
804	10	—	813	17	357	0.61	13.9	2,084	189.1	Corning Glass
218	80	—	298	NA	728	7.29	23.8	1,548	4.5	Costco Wholesale
870	383	91	1,345	34	171	0.14	5.7	4,903	354.8	CPC Intl
550	15	2,536	3,101	–9	52	0.09	2.5	687	147.1	Cray Research
370	17	—	387	–14	674	0.13	0.8	931	56.7	Crestar Finl
452	24	—	476	NA	605	0.31	0.7	1,052	100.1	CrossLand
216	1	—	217	0	768	1.50	15.3	1,718	88.3	Crown Cork

*Annualized salary. ‡Less than 0.01%. §Less than $100,000. NA: Not available.

Harvard and Princeton accounted for the most undergraduate degrees (29 each), followed by Yale (25). At the graduate level, Harvard gave out the most degrees (77). Cornell, University of Pennsylvania and University of Michigan were distant runners-up.

Corporate America's Most Powerful People

		Tenure (years)			Education	
Company	Chief executive/age	with firm	as CEO	Birthplace	undergraduate/graduate	Professional background
CSX	Hays T Watkins/62	39	17	Fern Creek KY	West Kentucky '47/No'western, MBA '48	finance
Cullen/Frost Bankers	Thomas C Frost/60	38	17	San Antonio TX	Washington & Lee '50	banking
Cummins Engine	Henry B Schacht/53	24	19	Erie PA	Yale '56/Harvard, MBA '62	administration
Dana	Gerald B Mitchell/60	44	8	Canada		operations
Data General	Edson D de Castro*/49	20	20	Plainfield NJ	Lowell '60	technical
Dauphin Deposit	William J King/59	9	2	Philadelphia PA	Pennsylvania '74	banking
Dayton Hudson	Kenneth A Macke/49	27	5	Templeton IA	Drake '61	retailing
DCNY Corp	Ralph F Peters/59	33	7	Mineola NY	Princeton '51	banking
Dean Foods	Howard M Dean/51	23	1	NA	SMU '60/Northwestern, MBA '61	administration
Deere	Robert A Hanson/63	38	6	Moline IL	Augustana '48	marketing
Delmarva Power & Lt	Nevius M Curtis/58	10	7	Holyoke MA	Haverford '51/Stanford, MBA '56	administration
Delta Air Lines	Ronald W Allen/46	25	1	Atlanta GA	Georgia Tech '64	administration
Deluxe Check	Harold V Haverty/58	34	2	Detroit MI		operations
Deposit Guaranty	Emerson B Robinson Jr/46	21	4	Centreville MS	Davidson '63/Harvard, MBA '67	banking
Detroit Edison	Walter J McCarthy Jr/63	25	7	New York NY	Cornell '49	operations
Diamond Shamrock R&M	Roger R Hemminghaus/51	4	1	St Louis MO	Auburn '58	technical
Digital Equipment	Kenneth H Olsen*/62	31	31	Bridgeport CT	MIT '50/MIT, MS '52	technical
Dillard Dept Stores	William T Dillard Sr*/73	49	49	Mineral Spr AR	Arkansas '35/Columbia, MS '37	retailing
Dime Savings Bank FSB	Harry W Albright Jr/63	13	8	Albany NY	Cornell '52	banking
Walt Disney	Michael D Eisner/46	4	4	New York NY	Denison '64	operations
Dominion Bankshares	Warner N Dalhouse/53	32	7	Roanoke VA	Virginia '56	marketing
Dominion Resources	William W Berry/56	31	5	Norfolk VA	Va Military Inst '54/Richmond, MS '64	technical
RR Donnelley & Sons	John B Schwemm/54	23	5	Barrington IL	Amherst '56/Michigan, JD '59	legal
Dover	Gary L Roubos/51	17	7	Denver CO	Colorado '59/Harvard, MBA '63	operations
Dow Chemical	Frank P Popoff/52	29	‡	Bulgaria	Indiana St '59/Indiana St, MBA '59	marketing
Dow Jones	Warren H Phillips/61	41	13	New York NY	CUNY Queens '47	journalism
Downey S&L Assn	Gerald H McQuarrie*/66	31	10	Minersville UT	Compton '41	administration
DPL	Peter H Forster/46	15	3	Germany	Wisconsin Milw '64/Columbia, JD '72	operations
Dresser Industries	John J Murphy/56	36	5	Olean NY	Rochester Inst Tech '52/SMU, MBA '81	operations
Dreyfus	Howard Stein/61	33	17	New York NY		investment
EI du Pont de Nemours	Richard E Heckert/64	39	2	Oxford OH	Miami of OH '44/Illinois, PhD '49	technical
Duke Power	William S Lee/58	33	6	Charlotte NC	Princeton '51	technical
Dun & Bradstreet	Charles W Moritz/51	28	3	Washington DC	Yale '58	marketing
Duquesne Light	Wesley W von Schack/44	4	2	New York NY	Fordham NA/St John's, MBA NA	finance
E-Systems	David R Tacke/65	42	1	St Louis MO		technical
Eastman Kodak	Colby H Chandler/63	38	5	Strong ME	Maine '50/MIT, MS '63	technical
Eaton	James R Stover/61	33	2	Marion IN	George Washington '55	operations
Ecolab	Pierson M Grieve/60	5	5	Flint MI	Northwestern '50	administration
EG&G	John M Kucharski/52	16	1	Milwaukee WI	Marquette '58/George Washington, JD '65	technical
Emerson Electric	Charles F Knight/52	15	15	Lake Forest IL	Cornell '58/Cornell, MBA '59	administration
Emhart	Peter L Scott/61	2	2	Bellaire OH	Ohio St '49	administration
Empire of America	Paul A Willax/49	21	9	Buffalo NY	Canisius '61/SUNY Buffalo, MBA '67	banking
Engelhard	Orin R Smith/52	11	4	Newark NJ	Brown '57/Seton Hall, MBA '64	sales
Enron	Kenneth L Lay/46	4	4	Tyrone MO	Missouri '64/Houston, PhD '70	administration
Enserch	William C McCord/60	39	17	San Antonio TX	Texas A&M '49	technical

* Company founder. ‡New CEO, less than six months' service. [1] Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 25, 1988.

Compensation (000) salary + bonus	other	stock gains	total	% change salary + bonus	Rank among 800 execs	Stock owned %	mkt val (mil)	Company data[1] sales (mil)	profits (mil)	Company
$1,166	$1	$51	$1,217	11%	204	0.05%	$2.1	$8,043	$432.0	CSX
306	17	—	323	1	715	3.96	2.8	292	2.0	Cullen/Frost
485	40	—	525	8	561	0.08	0.5	2,767	13.9	Cummins Engine
661	336	771	1,768	–23	115	0.19	3.0	4,142	144.4	Dana
421	—	—	421	–7	648	3.06	19.7	1,304	–69.3	Data General
357	2	—	359	53	688	0.06	0.2	262	34.8	Dauphin Deposit
930	303	—	1,233	–2	202	0.08	2.5	10,677	228.4	Dayton Hudson
1,538	231	—	1,768	7	114	0.37	0.6	277	30.1	DCNY Corp
428	526	149	1,104	NA	238	0.58	4.0	1,496	45.4	Dean Foods
481	2	—	483	6	595	0.03	1.0	4,701	161.0	Deere
295	—	—	295	6	731	‡	0.1	712	79.8	Delmarva P&L
401	204	—	605	NA	501	‡	0.2	6,351	232.6	Delta Air Lines
455	54	—	510	29	572	0.05	1.0	948	148.5	Deluxe Check
204	10	—	214	–13	769	0.38	1.0	318	25.6	Deposit Guaranty
451	74	—	524	20	562	‡	0.1	2,857	555.0	Detroit Edison
394	5	—	399	NA	665	0.12	0.4	1,741	9.5	Diamond R&M
906	—	—	906	20	308	1.93	260.6	10,391	1,284.3	Digital Equipment
1,110	30	—	1,140	14	226	0.13	1.9	2,206	91.2	Dillard Dept
540	25	—	565	1	527	0.21	0.8	924	69.5	Dime Savings
6,730	12	—	6,742	99	14	0.15	11.2	2,951	455.3	Walt Disney
536	8	—	544	34	547	0.08	0.5	743	70.6	Dominion Bkshrs
572	—	—	572	23	523	‡	0.3	3,251	430.5	Dominion Res
659	21	788	1,467	11	149	0.11	3.1	2,483	218.2	RR Donnelley
783	3	467	1,253	20	196	0.06	1.3	1,586	111.7	Dover
907	9	260	1,176	NA	213	0.02	2.8	13,377	1,245.0	Dow Chemical
700	401	—	1,101	7	240	0.05	1.5	1,314	203.0	Dow Jones
324	—	—	324	–3	714	12.46	22.2	266	33.2	Downey S&L Assn
326	164	—	489	–29	592	0.02	0.2	938	89.5	DPL
497	—	84	580	6	520	0.03	0.6	3,204	84.4	Dresser Inds
1,715	429	—	2,144	6	86	2.77	30.2	273	95.8	Dreyfus
1,418	60	4,481	5,959	14	18	0.03	5.4	30,224	1,786.0	EI du Pont
366	103	—	469	17	611	0.04	1.8	3,706	500.2	Duke Power
975	228	542	1,746	10	118	0.04	2.9	3,359	393.0	Dun & Bradstreet
180	—	—	180	–11	777	0.02	0.1	888	151.3	Duquesne Light
837	8	—	846	NA	332	0.19	1.6	1,227	60.4	E-Systems
1,044	—	23	1,067	7	250	‡	1.0	13,305	1,178.0	Eastman Kodak
941	616	—	1,557	46	139	0.10	1.9	3,138	201.2	Eaton
619	—	—	619	NA	490	0.35	2.4	1,020	141.7	Ecolab
511	—	—	511	NA	569	0.03	0.3	1,236	55.5	EG&G
1,753	10	—	1,763	37	117	0.12	8.5	6,318	482.8	Emerson Electric
1,000	—	—	1,000	0	273	0.33	4.5	2,455	106.5	Emhart
375	37	—	412	–32	655	1.13	0.5	1,001	7.6	Empire of Amer
890	—	—	890	8	312	0.31	2.9	2,479	69.8	Engelhard
1,054	69	140	1,262	62	195	0.03	0.5	5,916	5.6	Enron
700	94	16	810	7	362	0.09	0.9	2,770	31.5	Enserch

‡Less than 0.01%. NA: Not available.

Corporate America's Most Powerful People

Company	Chief executive/age	Tenure (years) with firm	Tenure (years) as CEO	Birthplace	Education undergraduate/graduate	Professional background
Equimark	Alan S Fellheimer/45	4	3	Philadelphia PA	Temple '68/Temple, JD '71	legal
Equitable Bancorp	H Grant Hathaway/60	33	7	New York NY		banking
Ethyl	Floyd D Gottwald Jr/65	45	18	Richmond VA	Va Military Inst '43/Richmond, MS '51	administration
Exxon	Lawrence G Rawl/60	36	1	Lyndhurst NJ	Oklahoma '52	technical
Far West Financial	Fred Kayne/50	1	‡	Chicago IL	MIT '60	banking
Farm & Home Savings	Donald F Roby/59	2	2	Osceola IA	Drake '50	administration
Farmers Group	Leo E Denlea Jr/56	7	2	Brooklyn NY	Villanova '54/Pennsylvania, MBA '59	finance
Federal Express	Frederick W Smith*/43	17	17	Marks MS	Yale '66	technical
Federal Natl Mortgage	David O Maxwell/58	7	7	Philadelphia PA	Harvard '55	legal
Federal Paper Board	John R Kennedy/57	37	13	New York NY	Georgetown '52	sales
Federated Dept Strs	Howard Goldfeder/62	41	7	New York NY	Tufts '47	retailing
Fieldcrest Cannon	Joseph B Ely II/49	11	3	Boston MA	Boston U '65	operations
Fifth Third Bancorp	Clement L Buenger/62	19	7	Fort Thomas KY	Xavier '50	banking
Finl Cp Santa Barbara	Philip R Brinkerhoff/45	3	3	Wilmington NC	Brigham Young '66/Harvard, JD '69	finance
Finl Corp of Amer	William J Popejoy/50	4	4	Vallejo CA	Cal St Sacramento '61/MA '62	banking
Fireman's Fund	John J Byrne/55	3	3	Passaic NJ	Rutgers '54/Michigan, MS '59	insurance
Firestone	John J Nevin/61	8	8	Jersey City NJ	Calif Berkeley '50/Harvard, MBA '52	marketing
First Alabama Bcshs	Willard L Hurley/61	30	4	Gainesville GA	Huntingdon '50	banking
First American	Kenneth L Roberts/55	12	11	Dungannon VA	Vanderbilt '59	banking
First Bncp Ohio	Howard L Flood/53	25	3	Staten Island NY		banking
First Bank System	Dewalt H Ankeny Jr/55	21	3	Minneapolis MN	Dartmouth '54/Dartmouth, MBA '55	banking
First Boston	Peter T Buchanan/53	32	5	Orange NJ	Princeton '56	investment
First Capital	Frank R Day/50	30	12	Aberdeen MS	Mississippi '53	banking
First Chicago	Barry F Sullivan/57	8	8	Bronx NY	Columbia '55/Chicago, MBA '57	banking
First Citizens Bcshs	Lewis R Holding/60	35	31	Smithfield NC	N Carolina '50/Harvard, MBA '52	finance
First City Bancorp	A Robert Abboud/59	1	‡	Boston MA	Harvard '56/Harvard, MBA '58	banking
First Columbia Finl	Thomas D Klingenstein/34	‡	‡	Philadelphia PA	Williams '76	banking
First Commerce	Ian Arnof/48	10	5	Memphis TN	Vanderbilt '61/Harvard, MBA '63	banking
First Empire State	Robert G Wilmers/54	6	5	New York NY	Harvard '56	banking
First Executive	Fred Carr/57	14	14	Los Angeles CA		finance
First Federal Mich	James A Aliber/63	31	11	Detroit MI	Michigan '47	banking
First Fidelity Bncp	Harold W Pote/41	16	4	Philadelphia PA	Princeton '68/Harvard, MBA '72	banking
First Florida Banks	A Bronson Thayer/48	6	5	Mineola NY	Harvard '61/NYU, MBA '67	finance
First Hawaiian	John D Bellinger/65	46	19	Honolulu HI		banking
First Interstate Bncp	Joseph J Pinola/63	12	10	Pittston PA	Bucknell '49	banking
First Kentucky Natl	A Stevens Miles/58	34	13	Louisville KY	Washington & Lee '51	banking
First Maryland Bncp	Charles W Cole Jr/52	27	4	Baltimore MD	Washington & Lee '59/Maryland, JD '62	banking
First National Cinc	Oliver W Waddell/57	31	5	Covington KY	Duke '54/Rutgers, JD '69	banking
First of America Bank	Daniel R Smith/54	32	3	Kalamazoo MI	Western Michigan '55	banking
First Pennsylvania	George A Butler/60	38	9	Westmont NJ	Pennsylvania '50	banking
First RepublicBank	Albert V Casey/68	‡	‡	Boston MA	Harvard '43/Harvard, MBA '48	finance
First Security	Spencer F Eccles/53	29	7	Ogden UT	Utah '56/Columbia, MA '59	banking
First Tennessee Natl	Ronald Terry/57	31	15	Memphis TN	Memphis St '52	banking
First Union	Edward E Crutchfield Jr/46	23	4	Dearborn MI	Davidson '63/Pennsylvania, MBA '65	banking
First Virginia Banks	Robert H Zalokar/61	33	3	West Mineral KS	Kansas '50	banking

*Company founder. ‡New CEO, less than six months' service. [1]Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 25, 1988. [2] New CEO in 1988, salary data NA. [3] Figures are for year ended 12/31/86 [4] Director's fees only.

Compensation (000)				% change	Rank	Stock owned		Company data[1]		
salary + bonus	other	stock gains	total	salary + bonus	among 800 execs	%	mkt val (mil)	sales (mil)	profits (mil)	Company
$778	$15	—	$793	NA	375	2.31%	$2.5	$272	$8.9	**Equimark**
689	—	$155	844	30%	334	1.72	4.9	473	40.7	**Equitable Bncp**
726	10	946	1,682	9	123	9.06	247.6	2,579	193.3	**Ethyl**
1,207	59	4,257	5,523	NA	22	0.01	6.4	76,416	4,840.0	**Exxon**
NA[2]	—	—	—	NA	—	‡	§	370	21.8	**Far West Finl**
335	—	—	335	NA	704	‡	§	300	19.7	**Farm & Home Svgs**
551	43	—	594	31	510	‡	0.2	1,133	246.7	**Farmers Group**
425	4	—	429	–13	641	6.25	149.3	3,522	170.9	**Federal Express**
734	343	—	1,077	15	247	0.07	1.8	10,079	376.0	**Fedl Natl Mort**
1,100	3	—	1,103	NA	239	2.06	16.1	1,026	74.0	**Fedl Paper Board**
982	9	179	1,171	20	216	‡	0.5	11,118	313.0	**Fed Dept Stores**
624	—	—	624	NA	482	‡	§	1,400	–3.7	**Fieldcrest**
490	61	537	1,088	14	243	0.47	3.4	383	60.1	**Fifth Third Bncp**
412	20	—	432	–36	639	1.92	0.6	484	2.8	**Fin Cp Santa Barbara**
540	—	—	540	3	553	0.04	§	2,955	–468.0	**Fin Cp of Amer**
491	91	—	582	–27	518	‡	§	3,927	362.3	**Fireman's Fund**
872	12	287	1,171	–86	217	0.19	4.8	3,997	111.0	**Firestone**
436	28	51	515	2	565	0.08	0.4	415	56.2	**1st Alabama**
375	36	17	428	–16	643	0.50	2.8	574	48.9	**1st American**
253	2	—	255	NA	753	0.09	0.3	232	33.9	**1st Bncp Ohio**
578	248	26	851	–25	328	0.16	2.0	2,481	49.6	**1st Bank System**
1,950	254	—	2,204	–35	83	0.09	0.8	3,405	108.9	**1st Boston**
287	8	—	296	25	730	4.14	9.8	241	26.2	**1st Capital**
879	70	—	949	–3	287	0.23	3.4	4,245	–570.7	**1st Chicago**
259	—	—	259	5	751	12.87	35.5	292	25.1	**1st Citizens**
NA[2]	—	—	—	NA	—	‡	§	1,162	–406.1	**1st City Bancorp**
NA[2]	—	—	—	NA	—	0.21	§	250	–11.1	**1st Columbia**
346	2	—	348	6	698	0.34	0.8	336	19.2	**1st Commerce**
344	5	—	349	38	697	6.82	25.6	468	40.3	**1st Empire State**
1,654[3]	—	—	1,654	23	126	1.85	16.0	3,482	177.8	**1st Executive**
618	25	—	644	17	469	0.13	0.2	1,178	36.7	**1st Federal Mich**
588	215	1,598	2,402	NA	70	0.13	2.5	2,414	86.3	**1st Fidelity**
9[4]	—	—	9	0	785	0.09	0.4	435	48.3	**1st Florida Bks**
583	477	—	1,060	13	253	1.77	5.6	333	35.5	**1st Hawaiian**
996	15	227	1,237	1	201	0.04	1.3	5,080	–556.2	**1st Interstate**
553	176	6	735	13	404	0.76	4.2	512	29.2	**1st Kentucky**
446	4	1,914	2,364	25	74	0.44	1.8	595	45.3	**1st Maryland**
412	—	—	412	56	653	0.04	0.2	410	41.5	**1st National Cinc**
473	—	—	473	20	606	0.15	0.7	768	78.3	**1st America Bank**
613	5	—	618	11	491	0.14	0.6	537	–73.1	**1st Pennsylvania**
NA[2]	—	—	—	NA	—	‡	§	2,420	–656.8	**1st RepublicBank**
334	4	—	339	–2	701	3.82	11.3	482	27.0	**1st Security**
453	15	—	468	40	612	0.76	2.8	559	32.9	**1st Tennessee**
875	64	100	1,039	11	260	0.05	1.2	2,626	283.1	**1st Union**
443	9	—	452	24	624	0.07	0.3	446	56.3	**1st Virginia Bks**

‡Less than 0.01%. §Less than $100,000. NA: Not available.

Corporate America's Most Powerful People

Company	Chief executive/age	Tenure (years) with firm	Tenure (years) as CEO	Birthplace	Education undergraduate/graduate	Professional background
First Wachovia	John G Medlin Jr/54	29	11	Benson NC	N Carolina '56	banking
First Wisconsin	John H Hendee Jr/62	39	‡	Milwaukee WI	Williams '49/Wisconsin, MBA '56	banking
Fleet/Norstar Finl	Peter D Kiernan/64	14	14	Albany NY	Williams '44	insurance
Fleetwood Enterprises	John C Crean*/62	38	38	Bowden ND		administration
Fleming Cos	Richard D Harrison/65	35	22	Salt Lake UT	Michigan '49	legal
FlightSafety Intl	Albert L Ueltschi*/71	37	37	Frankfort KY		technical
Florida Federal S&L	John W Sapanski/57	‡	‡	Brooklyn NY	CUNY City Col '57/MBA '60	banking
Florida Natl Banks	John D Uible/52	11	5	Cleveland OH	Florida '58	banking
Florida Progress	Andrew H Hines Jr/65	37	15	Lake City FL	Florida '47	technical
Fluor	David S Tappan Jr/66	36	4	China	Swarthmore '43/Stanford, MBA '48	sales

Company	Chief executive/age	Tenure (years) with firm	Tenure (years) as CEO	Birthplace	Education undergraduate/graduate	Professional background
FMC	Robert H Malott/61	35	16	Boston MA	Kansas '48/Harvard, MBA '50	operations
Food Lion	Tom E Smith/47	18	2	Salisbury NC	Catawba '64	retailing
Ford Motor	Donald E Petersen/61	39	3	Pipestone MN	Washington '46/Stanford, MBA '49	administration
Fort Howard	Paul J Schierl/53	24	13	Neenah WI	Notre Dame '61	legal
Fortune Financial	John B Sweger/68	23	6	Quincy IL	Florida '41	administration
FPL Group	Marshall McDonald/70	17	4	Memphis TN	Florida '41/Pennsylvania, MBA '47	administration
Freeport-McMoRan	James R Moffett/49	18	4	Houma LA	Texas '61/Tulane, MS '63	technical
GAF	Samuel J Heyman/49	4	4	New York NY	Harvard '73	legal
Gannett	John J Curley/49	18	2	Easton PA	Dickinson '60/Columbia, MS '63	journalism
Gap	Donald G Fisher*/59	19	19	San Francisco CA	Calif Berkeley '50	investment
Geico	William B Snyder/58	11	3	Clarksburg WV	Texas Tech '55	marketing
GenCorp	A William Reynolds/54	4	3	Columbus OH	Harvard '55/Stanford, MBA '57	administration
Genentech	Robert A Swanson*/40	12	12	New York NY	MIT '70/MIT, MA '70	administration
General Cinema	Richard A Smith/63	41	41	Boston MA	Harvard '46	administration
General Dynamics	Stanley C Pace/66	3	2	Burkesville KY	US Military Acad '43/Cal Tech, MS '49	administration
General Electric	John F Welch Jr/52	28	7	Peabody MA	Massachusetts '57/Illinois, PhD '60	technical
General Instrument	Frank G Hickey/60	23	13	Stevens Point WI	Dayton '50	marketing
General Mills	H Brewster Atwater Jr/57	30	7	Minneapolis MN	Princeton '52/Stanford, MBA '54	marketing
General Motors	Roger B Smith/62	39	7	Columbus OH	Michigan '47/Michigan, MBA '49	finance
General Public Utils	William G Kuhns/66	33	21	Milwaukee WI	Wisconsin Milwaukee '46/JD '49	finance
General Re	Ronald E Ferguson/46	19	1	Chicago IL	Blackburn '63/Michigan, MS '65	insurance
General Signal	Edmund M Carpenter/46	‡	‡	Toledo OH	Michigan '63/Michigan, MBA '64	operations
Genuine Parts	Wilton Looney/69	50	27	Vanna GA		operations
Georgia Gulf	James R Kuse/57	21	3	Lincoln NE	Oregon St '53	technical
Georgia-Pacific	T Marshall Hahn Jr/61	13	5	Lexington KY	Kentucky '45/MIT, PhD '50	technical
Getty Petroleum	Leo Liebowitz*/60	27	27	New York NY		marketing
Giant Food	Israel Cohen*/75	52	11	Israel		administration
Gibraltar Financial	James N Thayer/61	‡	‡	Jamesville WI	UCLA '48	finance
Gillette	Colman M Mockler Jr/58	31	13	St Lous MO	Harvard '52/Harvard, MBA '54	finance
GlenFed	Norman M Coulson/55	31	1	Hilt CA	Cal St Long Beach '57/Pepperdine, MBA '73	banking

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Compensation (000)				% change	Rank	Stock owned		Company data[1]		
salary + bonus	other	stock gains	total	salary + bonus	among 800 execs	%	mkt val (mil)	sales (mil)	profits (mil)	Company
$732	$54	—	$785	16%	379	0.07%	$1.4	$1,796	$176.6	**1st Wachovia**
290	3	$393	685	NA	438	0.25	1.2	705	–49.1	**1st Wisconsin**
620	213	—	833	NA	343	0.04	1.0	2,536	185.1	**Fleet/Norstar**
614	—	—	614	NA	496	18.27	90.2	1,381	45.8	**Fleetwood**
687	4	—	691	11	436	0.13	1.0	8,608	49.5	**Fleming Cos**
205	—	—	205	NA	773	35.45	319.8	130	41.8	**FlightSafety**
NA[2]	—	—	—	NA	—	‡	§	493	–34.2	**Florida Federal**
245	—	—	245	–1	759	9.12	32.4	686	32.5	**Florida Natl**
497	—	—	497	–4	580	0.05	0.9	1,958	187.8	**Florida Progress**
450	20	—	470	0	610	0.44	6.2	4,061	61.8	**Fluor**

We're not sure what to make of this, but New York City was the birthplace of the most chief executives on our list (59). Runners-up: Chicago (28), followed by Boston, Brooklyn, and Philadelphia (with 18 each).

Compensation (000)				% change	Rank	Stock owned		Company data[1]		
salary + bonus	other	stock gains	total	salary + bonus	among 800 execs	%	mkt val (mil)	sales (mil)	profits (mil)	Company
937	73	—	1,010	0	270	1.13	13.3	3,139	191.2	**FMC**
470	30	—	500	10	577	0.87	32.4	2,954	85.8	**Food Lion**
3,730	50	—	3,779	94	39	0.03	6.8	73,145	4,625.2	**Ford Motor**
776	54	1,087	1,917	29	104	0.14	3.4	1,758	157.7	**Fort Howard**
432	—	—	432	NA	638	1.25	1.1	262	14.0	**Fortune Finl**
535	116	—	651	20	461	0.03	1.2	5,469	402.9	**FPL Group**
934	742	—	1,676	49	124	0.72	13.8	1,514	248.8	**Freeport-McMoRan**
700[3]	5	—	705	0	427	7.82	140.7	837	100.1	**GAF**
1,075	18	252	1,345	20	170	0.04	1.9	3,079	319.4	**Gannett**
1,147	—	—	1,147	19	223	26.39	222.4	1,062	69.6	**Gap**
726	211	357	1,294	–3	187	0.63	12.9	1,580	163.0	**Geico**
808	6,908	—	7,716	12	12	0.11	0.6	1,619	475.0	**GenCorp**
511	—	—	511	58	568	4.91	142.9	219	42.2	**Genentech**
723	2	—	725	15	413	25.34	324.9	1,356	81.6	**General Cinema**
1,082	65	—	1,147	44	224	‡	0.1	9,344	437.3	**General Dynamics**
2,057	—	10,574	12,631	25	7	0.01	3.8	39,315	2,119.0	**General Electric**
444	—	—	444	NA	631	0.40	4.1	1,104	–43.7	**General Instrum**
1,303	19	—	1,322	12	179	0.11	4.6	5,549	249.8	**General Mills**
867	56	513	1,436	–20	152	‡	3.8	101,782	3,550.9	**General Motors**
668	5	—	674	72	445	0.02	0.3	2,673	259.1	**General Pub Util**
835	9	—	845	NA	333	‡	0.3	3,448	489.6	**General Re**
NA[2]	—	—	—	NA	—	‡	§	1,603	69.4	**General Signal**
655	—	—	655	28	458	0.98	29.0	2,606	148.3	**Genuine Parts**
800	—	—	800	NA	368	8.24	67.1	707	91.7	**Georgia Gulf**
900	21	2,336	3,257	–34	46	0.07	2.8	8,603	458.0	**Georgia-Pacific**
605	—	—	605	NA	502	23.32	39.3	1,314	15.0	**Getty Petroleum**
991	—	—	991	0	276	4.65	51.5	2,697	63.4	**Giant Food**
350*	—	—	350	NA	694	0.01	§	1,116	–131.0	**Gibraltar Finl**
890	45	3,489	4,423	11	32	0.19	9.1	3,167	229.9	**Gillette**
503	12	101	617	NA	493	0.05	0.3	2,123	140.2	**GlenFed**

*Annualized salary. ‡Less than 0.01%. §Less than $100,000. NA: Not available.

Corporate America's Most Powerful People

Company	Chief executive/age	Tenure (years) with firm	as CEO	Birthplace	Education undergraduate/graduate	Professional background
Golden Nugget	Stephen A Wynn/46	15	15	NA	Pennsylvania NA	administration
Golden West Finl	Herbert M Sandler*[2]/56	25	25	New York NY	CUNY City Col '51/Columbia, JSD '54	finance
Goldome	Ross B Kenzie/56	9	8	Prattsburg NY	US Military Acad '53	finance
BF Goodrich	John D Ong/54	27	9	Uhrichsville OH	Harvard '57/Ohio St, MA '54	operations
Goodyear	Robert E Mercer/64	41	5	Elizabeth NJ	Yale '47	administration
WR Grace	J Peter Grace/75	52	43	Manhasset NY	Yale '36	finance
WW Grainger	David W Grainger/60	38	14	Chicago IL	Wisconsin Milwaukee '50	administration
Gt Am First Savings	Gordon C Luce/62	18	18	San Diego CA	Stanford '50/Stanford, MBA '52	administration
Great A&P Tea	James Wood/58	8	8	England		retailing
Great Lakes Bancorp	Roy E Weber/59	38	19	Ann Arbor MI		banking
Great Lakes Chemical	Emerson Kampen/60	37	11	Kalamazoo MI	Michigan '51	operations
Gt Northern Nekoosa	William R Laidig/61	38	4	Sterling IL	Marquette '49	administration
Gt Western Financial	James F Montgomery/53	13	9	Topeka KS	UCLA '57	finance
Greater NY Savings	Frank Wille/57	7	7	New York NY	Harvard '56/NYU, LLM '60	legal
Greyhound	John W Teets/54	24	7	Elgin IL		administration
Grumman	John O'Brien/57	34	‡	New York NY	SUNY Farmingdale '51	technical
GTE	James L Johnson/61	39	‡	Vernon TX	Texas Tech '49	finance
Gulf & Western	Martin S Davis/61	30	5	New York NY		marketing
Gulf States Utils	E Linn Draper Jr/46	9	2	Houston TX	Rice '65/Cornell, PhD '70	technical
Halliburton	Thomas H Cruikshank/56	19	5	Lake Charles LA	Rice '52/Houston, MA '55	legal
Hanover Insurance	William J O'Brien/55	17	8	Yonkers NY	Fordham '54	insurance
Harcourt Brace	William Jovanovich/68	41	33	Louisville CO	Colorado '41	administration
Harris Corp	John T Hartley/58	32	2	Jacksonville FL	Auburn '55	operations
Hasbro	Stephen D Hassenfeld/46	25	8	Providence RI		operations
HJ Heinz	Anthony J F O'Reilly/52	19	9	Ireland	Indiana St '58/U of Bradford, PhD '80	legal
Henley Group	Michael D Dingman/56	18	18	New Haven CT		operations
Hercules	David S Hollingsworth/60	40	1	Wilmington DE	Lehigh '48	technical
Hershey Foods	Richard A Zimmerman/56	30	4	Lebanon PA	Penn St '53	operations
Hewlett-Packard	John A Young/56	30	10	Nampa ID	Oregon St '53/Stanford, MBA '58	technical
Hibernia	Martin C Miler/54	15	15	Mason City IA	Wm & Mary '57/Pennsylvania, MBA '59	banking
Hillenbrand Inds	Daniel A Hillenbrand/64	43	16	Batesville IN		administration
Hills Dept Stores	Stephen A Goldberger/45	17	2	NA		administration
Hilton Hotels	Barron Hilton/60	34	22	Dallas TX		administration
Himont	Alexander F Giacco/68	1	1	Italy	Virginia Polytech '42	technical
Holiday	Michael D Rose/46	14	7	Akron OH	Cincinnati '63/Harvard, JD '66	operations
Holly Farms	R Lee Taylor II/46	22	6	Memphis TN	Princeton '64	administration
Home Depot	Bernard Marcus*/59	10	10	Newark NJ	Rutgers '54	administration
Home Federal S&L	Kim Fletcher/60	38	19	Los Angeles CA	Stanford '50	finance
Home Group	Marshall Manley/48	3	1	Newark NJ	CUNY Brooklyn '62/NYU, JD '65	legal
Homestake Mining	Harry M Conger/57	13	9	Seattle WA	Colo Sch Mines '55	technical
Homestead Financial	Lawrence Weissberg/67	28	28	New York NY		banking
Honeywell	James J Renier/58	32	1	Duluth MN	Col of St Thomas '51/Iowa St, PhD '55	technical
Horizon Bancorp	William J Shepherd/62	23	12	Richmond Hill NY	Rutgers '48/NYU, MBA '57	banking
Geo A Hormel	Richard L Knowlton/55	40	7	Austin MN	Colorado '54	marketing
Hospital Corp	Thomas F Frist Jr*/49	20	6	Nashville TN	Vanderbilt '61/Washington, MD '65	administration

*Company founder. ‡New CEO, less than six months' service. [1] Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 25, 1988. [2] Office jointly held with Marion O. Sandler.

Compensation (000)				% change	Rank	Stock owned		Company data[1]		
salary + bonus	other	stock gains	total	salary + bonus	among 800 execs	%	mkt val (mil)	sales (mil)	profits (mil)	Company
$800	$4	$847	$1,650	NA	127	16.92%	$45.5	$194	$137.5	Golden Nugget
702	—	—	702	39%	430	7.41	62.8	1,274	151.6	Golden West Finl
566	63	—	629	NA	477	0.44	0.4	1,425	0.3	Goldome
849	259	—	1,108	12	236	0.16	2.1	2,168	79.2	BF Goodrich
1,252	—	—	1,252	33	197	0.02	0.6	9,905	770.9	Goodyear
1,200	22	343	1,564	21	137	0.37	8.6	4,515	160.5	**WR Grace**
615	87	—	702	21	429	10.47	187.0	1,321	90.5	**WW Grainger**
733	4	—	737	22	403	0.08	0.2	1,419	87.9	**Great Am First**
1,985	29	—	2,014	6	94	0.03	0.4	9,532	103.4	**Great A&P Tea**
363	—	—	363	45	685	1.08	0.8	305	20.2	**Great Lakes Bncp**
546	—	—	546	NA	544	0.78	8.1	478	55.5	Great Lakes Chem
590	210	—	800	26	367	0.07	1.6	2,589	200.6	Gt Nrthn Nekoosa
1,129	1,127	—	2,256	4	81	0.15	2.6	3,969	210.1	Gt Western Finl
543	15	—	558	NA	531	0.36	0.3	227	13.8	Greater NY Svgs
1,347	—	—	1,347	28	167	0.22	2.5	2,501	31.3	Greyhound
375	—	—	375	NA	679	0.07	0.5	3,325	0.7	**Grumman**
790	74	—	864	NA	323	‡	0.6	15,421	1,118.8	**GTE**
2,299	965	—	3,264	–1	45	0.67	30.5	4,775	349.9	**Gulf & Western**
300	9	—	309	23	718	0.01	0.1	1,433	241.1	**Gulf States**
600	5	—	605	0	503	0.07	2.6	3,373	48.1	**Halliburton**
273	16	—	289	19	733	0.16	0.7	1,411	111.7	Hanover Ins
1,221	27	—	1,248	41	198	2.42	12.7	1,518	83.4	Harcourt Brace
733	86	—	820	16	352	0.04	0.5	2,084	92.2	Harris Corp
990	146	—	1,136	–16	228	3.96	30.4	1,345	48.2	Hasbro
1,026	1,462	—	2,488	2	65	0.19	10.1	5,088	378.5	HJ Heinz
1,085	—	—	1,085	3	245	1.68	36.8	3,516	–278.0	**Henley Group**
660	25	—	685	NA	439	0.04	0.9	2,693	820.7	**Hercules**
650	10	—	660	14	454	0.15	3.2	2,434	148.2	**Hershey Foods**
1,099	721	256	2,076	19	90	0.04	6.8	8,542	707.0	**Hewlett-Packard**
909	103	—	1,012	–5	269	0.51	2.2	464	46.5	**Hibernia**
860	51	—	911	14	307	2.98	37.3	725	57.4	Hillenbrand Inds
735	—	—	735	NA	405	7.24	13.4	1,514	20.2	Hills Dept Stores
808	—	—	808	20	363	3.56	74.8	815	139.9	Hilton Hotels
260*	1	—	261	NA	750	0.16	4.4	1,278	240.3	Himont
800	224	—	1,024	32	265	2.64	18.1	1,663	114.8	Holiday
300	—	—	300	18	726	1.27	6.5	1,524	43.4	**Holly Farms**
1,312	25	—	1,337	NA	174	5.53	72.9	1,454	54.1	**Home Depot**
617	4	—	621	13	487	0.05	0.2	1,258	100.3	**Home Federal S&L**
1,756	7	—	1,763	10	116	0.41	1.7	2,495	172.2	**Home Group**
543	181	—	724	27	414	0.41	5.8	306	146.4	**Homestake Mining**
618	23	1,330	1,971	–40	99	23.37	16.7	510	24.7	Homestead Finl
861	42	171	1,074	NA	249	0.04	[illegible]	6,679	253.7	Honeywell
401	221	—	622	23	485	0.48	2.7	370	44.5	Horizon Bancorp
798	17	—	815	14	355	0.10	1.0	2,428	53.7	Geo A Hormel
458	247	633	1,337	53	173	1.23	30.2	4,676	–58.4	Hospital Corp

*Annualized salary. ‡Less than 0.01%. NA: Not available.

Corporate America's Most Powerful People

Company	Chief executi[illegible]	Tenure (years) with firm	Tenure (years) as CEO	Birthplace	Education undergraduate/graduate	Professional background
Household Intl	Donald C Clark/5[illegible]	33	6	Brooklyn NY	Clarkson '53/Northwestern, MBA '61	finance
Houston Industries	Don D Jordan/56	32	11	Corpus Christi TX	Texas '54/S Texas Col of Law, JD '69	legal
Howard Savings Bank	Donald F McCormick/57	14	6	East Orange NJ	N Carolina '53	banking
Hubbell	G J Ratcliffe Jr/51	14	‡	Charleston WV	Virginia '61	legal
Humana	David A Jones*/56	27	27	Louisville KY	Louisville '54/Yale, JD '60	legal
Huntington Bshs	Frank Wobst/54	14	7	Germany	U of Erlangen '55/Rutgers, MBA '64	banking
IC Industries	Earl D Bays/54	1	1	Loyall KY	Eastern Kentucky '55/Indiana, MBA '58	operations
ICH	Robert T Shaw/54	23	13	McCrory AR		insurance
Illinois Power	Wendell J Kelley/62	39	22	Champaign IL	Illinois '49	technical
Illinois Tool Works	John D Nichols/57	8	6	China	Harvard '53/Harvard, MBA '55	operations
Imperial Corp of Am	Kenneth J Thygerson/42	3	3	Chicago IL	Northwestern '67/Northwestern, PhD '72	finance
IMS International	Robert Louis-Dreyfus/41	15	6	France	Ecole des Cadres '69/Harvard, MBA '73	marketing
Independence Bancorp	R Roy Hager/57	38	6	Perkasie PA		banking
Indiana National	Thomas M Miller/58	34	7	Corydon IN	Indiana '52	banking
Ingersoll-Rand	Thomas A Holmes/64	38	7	Wilmington MA	Missouri Sch Mines '50	operations
Inland Steel Inds	Frank W Luerssen/60	36	5	Reading PA	Penn St '50/Lehigh, MS '51	technical
Integrated Resources	Selig A Zises*/46	20	20	Brooklyn NY	NYU '65	finance
Intel	Andrew S Grove/51	20	1	Hungary	CUNY City C '60/Calif Berkeley, PhD '63	technical
Interco	Harvey Saligman/49	12	5	Philadelphia PA	Phil Col Textiles '60	administration
Intergraph	James W Meadlock*/54	19	19	Taylorsville NC	N Carolina St '56	technical
IBM	John F Akers/53	28	3	Boston MA	Yale '56	marketing
Intl Flavors & Frags	Eugene P Grisanti/58	28	3	Buffalo NY	Boston U '53/Harvard, LLM '54	legal
Intl Minerals & Chem	George D Kennedy/62	17	5	Pittsburgh PA	Williams '47	administration
Intl Multifoods	Andre Gillet/61	37	4	France	U of Paris '47	administration
International Paper	John A Georges/57	9	4	El Paso TX	Illinois '51/Drexel, MS '57	technical
Ipalco Enterprises	Zane G Todd/64	37	12	Hanson KY	Purdue '51	operations
Irving Bank	Joseph A Rice/63	21	4	Cranford NJ	Rensselaer Polytech '49/NYU, MA '68	finance
ITT	Rand V Araskog/56	22	9	Fergus Falls MN	US Military Acad '53	administration
James River Corp Va	Brenton S Halsey*/61	19	19	Newport News VA	Virginia '52	technical
Jefferson-Pilot	W Roger Soles/67	41	21	Whiteville NC	N Carolina '47	investment

Company	Chief executi[illegible]	Tenure (years) with firm	Tenure (years) as CEO	Birthplace	Education undergraduate/graduate	Professional background
Jefferson Smurfit	Michael W J Smurfit/51	33	11	England		operations
Johnson & Johnson	James E Burke/63	35	12	Rutland VT	Holy Cross '47/Harvard, MBA '49	marketing
Johnson Controls	James H Keyes/47	22	‡	La Crosse WI	Marquette '62/Northwestern, MBA '63	finance
Jostens	H William Lurton/58	33	16	Greenwich CT	Principia '51	sales
K mart	Joseph E Antonini/46	24	1	Morgantown WV	West Virginia '64	retailing
KaiserTech	James S Pasman Jr/57	[illegible]	‡	Maplewood NJ	Upsala Coll NA/NYU, MBA NA	administration
Kansas City P&L	Arthur J Doyle/64	15	9	Boston MA	Boston C '46/Boston C, JD '49	legal
Kansas Gas & Elec	Wilson K Cadman/60	37	7	Wichita KS	Wichita St '51	administration
Kansas Power & Light	David S Black/59	9	1	Everett WA	Washington '54	legal
Kaufman & Broad	Eli Broad*/54	31	31	New York NY	Michigan St '54	finance

*Company founder. ‡New CEO, less than six months' service. [1] Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 25, 1988. [2] Total does not include the value of 128,000 A units vested in 1987.

Compensation (000)				% change	Rank	Stock owned		Company data[1]		
salary + bonus	other	stock gains	total	salary + bonus	among 800 execs	%	mkt val (mil)	sales (mil)	profits (mil)	Company
$972	$41	—	$1,013	–12%	268	0.17%	$3.2	$3,441	$221.5	**Household Intl**
663	11	—	674	17	444	0.03	1.0	3,628	435.0	**Houston Inds**
471	154	$136	761	23	394	0.10	0.3	424	34.9	**Howard Savings**
373	2	261	636	NA	473	0.22	2.0	581	62.5	**Hubbell**
867	81	—	948	61	288	2.90	72.5	3,064	192.7	**Humana**
609	13	—	622	–2	486	0.54	3.7	784	47.8	**Huntington Bshs**
650	—	—	650	NA	462	0.31	11.8	4,027	251.7	**IC Industries**
1,097	—	—	1,097	NA	241	11.79	42.2	2,412	141.6	**ICH**
355	—	—	355	9	691	0.02	0.2	1,220	289.6	**Illinois Power**
606	11	335	952	9	286	0.52	10.2	1,698	106.2	**Ill Tool Works**
806	14	—	820	8	351	0.22	0.3	1,078	50.5	**Imperial Corp Am**
550	—	—	550	43	538	0.22	3.3	429	59.6	**IMS Intl**
355	—	—	355	NA	690	0.06	0.1	249	26.8	**Independence Bncp**
426	588	190	1,204	–5	208	0.54	2.6	476	27.1	**Indiana National**
1,064	197	427	1,689	20	121	0.09	1.7	2,648	107.9	**Ingersoll-Rand**
645	21	80	746	41	399	0.04	0.5	3,453	111.7	**Inland Steel**
1,113	26	—	1,139	10	227	5.36	6.9	1,078	53.4	**Integrated Res**
674	53	—	727	NA	410	0.13	6.9	1,907	175.5	**Intel**
710	—	—	710	16	424	0.34	5.0	3,200	139.4	**Interco**
178	—	—	178	2	778	6.86	102.5	641	69.9	**Intergraph**
841	—	—	841	18	336	‡	3.4	54,217	5,258.0	**IBM**
528	—	234	762	6	393	1.13	20.6	746	107.0	**Intl Flavors**
1,100	5	—	1,105	33	237	0.23	2.7	1,802	92.0	**Intl Minerals**
662	10	—	673	26	446	0.17	0.8	1,617	63.7	**Intl Multifoods**
926	54	—	980	3	279	0.09	4.6	7,763	407.0	**Intl Paper**
592	—	—	592	12	511	0.06	0.5	554	89.3	**Ipalco**
793	25	—	818	–12	354	0.03	0.3	2,166	–193.3	**Irving Bank**
1,840	165	1,027	3,032	11	54	0.11	6.8	19,525	1,084.9	**ITT**
754	15	—	768	47	387	0.82	16.6	4,894	195.8	**James River Corp**
683	—	610	1,292	5	189	0.15	1.8	1,052	147.7	**Jefferson-Pilot**
630	—	—	630	NA	475	‡	§	1,099	92.0	**Jefferson Smurfit**
1,282	—	—	1,282	11	192	0.05	6.6	8,012	833.0	**Johnson & Johnson**
482	—	—	482	NA	597	0.19	2.4	2,807	96.6	**Johnson Controls**
757	23	269	1,049	NA	257	0.63	4.1	572	85.3	**Jostens**
636	16	1,020	1,672	NA	125	0.01	0.8	25,864	692.2	**K mart**
300*	—	—	300[2]	NA	726	‡	§	1,987	–362.0	**KaiserTech**
380	26	—	406	42	659	0.03	0.2	705	104.0	**Kansas City P&L**
246	1	—	246	20	758	0.01	0.1	512	97.4	**Kansas Gas & El**
203	6	—	209	NA	772	‡	§	1,166	88.7	**Kansas Pwr & Lt**
1,109	1,171	—	2,280	20	79	19.44	81.8	1,518	57.3	**Kaufman & Broad**

*Annualized salary. ‡Less than 0.01%. §Less than $100,000. NA: Not available.

At $60 million, mostly stock gains, Charles Lazarus of Toys "R" Us scored the most total compensation, followed by Lotus Development's Jim Manzi, with $26 million. The worst paid was First Florida Banks' A. Bronson Thayer, who made $9,000, all in director's fees.

Corporate America's Most Powerful People

Company	Chief executive/age	Tenure (years) with firm	Tenure (years) as CEO	Birthplace	Education undergraduate/graduate	Professional background
Kellogg	William E LaMothe/61	38	9	Brooklyn NY	Fordham '50	marketing
Kelly Services	Terence E Adderley/54	30	21	Detroit MI	Michigan '55/Michigan, MBA '56	finance
Kemper	Joseph E Luecke/61	37	9	Philadelphia PA	La Salle '50	insurance
Kentucky Utilities	John T Newton/57	30	1	Shelbyville KY	Western Kentucky '52	finance
Kerr-McGee	Frank A McPherson/55	31	5	Stillwater OK	Oklahoma St '57	operations
KeyCorp	Victor J Riley Jr/56	24	14	Buffalo NY	Notre Dame '53	finance
Kimberly-Clark	Darwin E Smith/62	30	16	Garrett IN	Harvard '55	legal
Knight-Ridder	James K Batten/52	31	‡	Suffolk VA	Davidson '57/Princeton, MPA '62	journalism
Koppers	Charles R Pullin/64	42	6	Pt Pleasant WV	Louisville '45	administration
Kraft	John M Richman/60	34	9	New York NY	Harvard '52	legal
Kroger	Lyle Everingham/62	41	10	Flint MI		retailing
Lafarge	Bertrand Collomb/45	13	1	France	U of Nancy '68/Texas, PhD '71	technical
Eli Lilly	Richard D Wood/61	38	15	Brazil IN	Purdue '48/Pennsylvania, MBA '50	marketing
Limited	Leslie H Wexner*/50	25	25	Dayton OH	Ohio St '59	retailing
LIN Broadcasting	Donald A Pels/60	19	19	New Rochelle NY	Pennsylvania '48/NYU, JD '53	administration
Lincoln National	Ian M Rolland/54	32	11	Fort Wayne IN	DePauw '55/Michigan, MA '56	insurance
Litton Industries	Orion L Hoch/59	31	1	Canonsburg PA	Carnegie-Mellon '52/Stanford, PhD '57	technical
Liz Claiborne	Elisabeth C Ortenberg*/59	12	12	Belgium		administration
Lockheed	Lawrence O Kitchen/64	30	2	Fort Mill SC		administration
Loews	Laurence A Tisch[2]/65	29	28	Brooklyn NY	NYU '42/Pennsylvania, MA '43	finance
Lomas & Nettleton	Jess T Hay/57	28	23	Forney TX	SMU '53/SMU, JD '55	legal
Long Island Lighting	William J Catacosinos/58	9	4	New York NY	NYU '51/NYU, PhD '62	technical
Longs Drug Stores	Robert M Long/50	27	11	Oakland CA	Claremont Mens C '60	retailing
Longview Fibre	Richard P Wollenberg/72	49	10	Juneau AK	Calif Berkeley '36/Harvard, MBA '38	operations
Loral	Bernard L Schwartz/63	16	16	New York NY	CUNY City Col '48	administration
Lotus Development	Jim P Manzi/36	5	2	New York NY	Colgate '73/Tufts, MA '79	journalism
Louisiana Land	Ernest L Williamson/63	34	4	Perryton TX	Oklahoma '50	administration
Louisiana-Pacific	Harry A Merlo/63	38	14	Stirling City CA	Calif Berkeley '49	marketing
Louisville G&E	Robert L Royer/60	39	10	Louisville KY	Rose-Hulman Inst Tech '49	technical
Lowe's Cos	Leonard G Herring/60	32	10	Snow Hill NC	N Carolina '48	finance
LTV	Raymond A Hay/59	13	5	Long Island NY	LIU '49/St John's, MBA '60	administration
Lubrizol	Lester E Coleman/57	33	10	Akron OH	Akron '52/Illinois, PhD '55	technical
Lucky Stores	John M Lillie/51	9	3	Chicago IL	Stanford '59/Stanford, MBA '64	operations
Mack Trucks	John B Curcio/54	21	4	Hazelton PA	La Salle '63	administration
Macmillan	Edward P Evans/46	8	8	Pittsburgh PA	Yale '64/Harvard, MBA '67	administration
Manufacturers Hanover	John F McGillicuddy/57	29	9	Harrison NY	Princeton '52/Harvard, LLB '55	banking
Manufacturers Natl	Dean E Richardson/60	35	15	West Branch MI	Michigan St '50/Michigan, JD '53	banking
Manville	W Thomas Stephens/45	25	2	Crossett AR	Arkansas '65/Arkansas, MS '66	operations
Mapco	James E Barnes/54	5	4	Ponca City OK	Oklahoma St '57	operations
Marion Laboratories	Fred W Lyons Jr/53	20	4	Youngstown OH	Michigan '57/Harvard, MA '59	administration
Marriott	J Willard Marriott Jr/56	32	16	Washington DC	Utah '54	administration
Marsh & McLennan Cos	Frank J Tasco/60	34	2	New York NY	NYU '49	insurance
Marshall & Ilsley	John A Puelicher/67	42	30	Milwaukee WI	Wisconsin Milwaukee '43	banking
Martin Marietta	Norman R Augustine/52	11	‡	Denver CO	Princeton '57/Princeton, MS '59	technical
Masco	Richard A Manoogian/51	30	20	Long Branch NJ	Yale '58	administration

* Company founder. ‡New CEO, less than six months' service. [1] Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 25, 1988. [2] Office jointly held with Preston R Tisch. [3] Figures are for year ended 1/31/87.

Compensation (000)				% change	Rank	Stock owned		Company data[1]		
salary + bonus	other	stock gains	total	salary + bonus	among 800 execs	%	mkt val (mil)	sales (mil)	profits (mil)	Company
$1,100	$36	—	$1,136	16%	229	0.19%	$12.0	$3,793	$395.9	Kellogg
496	—	—	496	NA	581	6.53	67.3	1,161	50.5	Kelly Services
357	—	—	357	19	689	0.11	1.4	3,663	221.7	Kemper
192	1	—	193	NA	775	0.03	0.2	553	73.7	Kentucky Utils
467	10	$139	616	28	495	0.05	0.9	2,608	84.0	Kerr-McGee
715	—	—	715	6	420	0.03	0.2	1,091	80.0	KeyCorp
1,097	10	1,839	2,946	23	57	0.27	11.8	4,885	325.2	Kimberly-Clark
688	—	371	1,059	NA	254	‡	0.2	2,073	155.2	Knight-Ridder
583	71	—	654	9	459	0.05	0.8	1,516	10.8	Koppers
1,200	19	3,288	4,506	16	28	0.05	3.4	9,876	444.2	Kraft
802	—	1,578	2,379	-9	72	0.20	5.0	17,660	183.3	Kroger
477	15	229	721	NA	417	0.07	0.5	1,221	71.7	Lafarge
1,009	335	2,876	4,220	1	34	0.08	9.1	3,644	643.7	Eli Lilly
936	217	—	1,154	1	220	29.02	1,038.4	3,528	235.2	Limited
950	22	16,428	17,400	9	4	3.73	114.5	237	87.5	LIN Broadcasting
718	—	—	718	2	418	0.04	0.8	6,960	236.9	Lincoln National
783	14	—	797	-15	373	0.01	0.2	4,736	151.0	Litton Inds
800	—	—	800	14	369	3.22	44.3	1,053	114.4	Liz Claiborne
832	19	484	1,335	15	175	0.02	0.5	11,321	421.0	Lockheed
289	13	—	302	-62	724	12.53	669.9	8,957	696.2	Loews
455	51	—	506	-30	574	1.03	5.9	966	26.5	Lomas & Nettltn
325	10	—	335	18	705	0.01	0.1	2,072	269.9	Long Island Ltg
336	11	164	511	17	570	2.66	19.7	1,772	49.2	Longs Drug Strs
282	4	—	286	NA	735	2.30	12.9	574	67.5	Longview Fibre
833	—	—	833	-20	344	2.73	23.2	1,243	69.6	Loral
941	40	25,356	26,337	NA	2	1.34	13.5	396	72.0	Lotus Dev
532	231	77	839	NA	338	0.03	0.3	784	24.8	Louisiana Land
625	189	911	1,726	14	119	0.30	3.7	1,922	125.0	Louisiana-Pac
210	1	—	211	13	770	0.03	0.2	631	76.2	Louisville G&E
379	—	—	379	-5	676	1.26	10.2	2,442	56.0	Lowe's Cos
688	6	—	694	-1	435	‡	§	7,582	502.6	LTV
649	21	—	670	11	447	0.17	2.5	1,022	81.3	Lubrizol
518[3]	—	401	919	0	301	0.10	2.2	6,925	145.8	Lucky Stores
370	181	—	551	6	537	0.08	0.3	1,858	3.8	Mack Trucks
704	23	1,447	2,175	10	85	2.23	31.9	956	70.7	Macmillan
819	—	—	819	-10	353	0.10	1.3	7,757	-1,140.2	Mfrs Hanover
483	355	—	838	0	340	0.25	1.6	800	6.6	Mfrs National
838	15	—	853	84	327	‡	§	2,063	164.1	Manville
672	4	—	676	1	443	0.08	0.9	1,637	57.3	Mapco
876	1	—	876	18	317	0.25	7.2	695	125.2	Marion Labs
978	—	—	978	10	280	4.91	174.4	6,522	223.0	Marriott
1,126	11	174	1,311	3	181	0.15	5.6	2,147	302.1	Marsh & McLennan
475	5	—	480	19	602	0.98	5.8	558	57.9	Marshall & Ilsley
680	—	1,309	1,989	NA	98	0.04	0.9	5,165	230.7	Martin Marietta
1,025	30	5,116	6,171	11	15	2.99	107.0	2,023	218.8	Masco

‡Less than 0.01%. §Less than $100,000. NA: Not available.

Corporate America's Most Powerful People

Company	Chief executive/age	Tenure (years) with firm	Tenure (years) as CEO	Birthplace	Education undergraduate/graduate	Professional background
Masco Industries	Richard A Manoogian/51	30	3	Long Branch NJ	Yale '58	administration
Maxicare Health	Fred W Wasserman*/48	15	15	Los Angeles CA	UCLA '61/UCLA, PhD '76	administration
May Dept Stores	David C Farrell/54	32	9	Chicago IL	Antioch '56	retailing
Maytag	Daniel J Krumm/61	35	14	Sioux City IA	Iowa '50	marketing
MBIA	William O Bailey/61	1	1	Syracuse NY	Dartmouth '47/Pennsylvania, MBA '49	finance
MCA	Lew R Wasserman/75	51	41	Cleveland OH		sales
McCaw Cellular Commun	Craig O McCaw/38	22	8	Centralia WA	Stanford '73	administration
McDonald's	Michael R Quinlan/43	22	1	Chicago IL	Loyola '67/Loyola, MBA '70	administration
McDonnell Douglas	John F McDonnell/50	26	‡	Baltimore MD	Princeton '60/Princeton, MS '62	technical
McGraw-Hill	Joseph L Dionne/54	22	5	Montgomery AL	Hofstra '55/Columbia, EdD '65	operations
MCI Communications	William G McGowan*[3]/60	20	20	Ashley PA	King's '50/Harvard, MBA '52	operations
McKesson	Thomas W Field Jr/54	4	2	Alhambra CA		retailing
MCorp	Gene H Bishop/58	13	13	Forest MS	Mississippi '52	banking
Mead	Burnell R Roberts/61	22	6	Lafayette WI	Wisconsin Milw '50/Harvard, MBA '57	finance
Media General	James S Evans/67	15	3	Joplin MO	Purdue '42	administration
Medtronic	Winston R Wallin/62	10	3	Minneapolis MN	Minnesota '48	operations
Mellon Bank	Frank V Cahouet/56	1	1	Boston MA	Harvard '54/Pennsylvania, MBA '59	banking
Melville	Stanley P Goldstein/53	25	1	Woonsocket RI	Pennsylvania '55	retailing
Mercantile Bancorp	Donald E Lasater/62	29	18	St Louis MO	USC '48	legal
Mercantile Bkshs	H Furlong Baldwin/56	32	12	Baltimore MD	Princeton '54	banking
Mercantile Stores	Leon F Winbigler/62	40	14	Brookfield MO	Missouri '48	retailing
Merchants National	Otto N Frenzel III/57	34	15	Indianapolis IN	Pennsylvania '54	banking
Merck	P Roy Vagelos/58	13	3	Westfield NJ	Pennsylvania '50/Columbia, MD '54	technical
Meridian Bancorp	Samuel A McCullough/49	13	10	Pittsburgh PA	Pittsburgh '60	banking
Meritor Financial	Frederick S Hammer/51	3	2	New York NY	Colgate '58/Carnegie-Mellon, PhD '63	banking
Merrill Lynch	William A Schreyer/60	40	4	Williamsport PA	Penn St '48	investment
Fred Meyer	Frederick M Stevens/51	‡	‡	Jonesboro AR	Louisiana St '59	retailing
Michigan National	Robert J Mylod/48	3	3	Brooklyn NY	St John's '61	banking
Microsoft	William H Gates III*/31	13	7	Seattle WA		technical
Middle South Utils	Edwin Lupberger/51	9	2	Atlanta GA	Davidson '58/Emory, MBA '63	finance
Midlantic	Robert Van Buren/63	17	11	Plainfield NJ	Washington & Lee '50/NYU, MBA '56	banking
Millipore	John A Gilmartin/46	9	2	Hackensack NJ	Penn St '65/Harvard, MBA '67	finance
Minn Mining & Mfg	Allen F Jacobson/61	41	2	Omaha NE	Iowa St '47	operations
Minnesota Power	Jack F Rowe/61	38	10	Sebeka MN	Minnesota '50	technical
MNC Financial	Alan P Hoblitzell Jr/56	32	5	St Louis MO	Princeton '53	banking
Mobil	Allen E Murray/59	35	2	New York NY	NYU '56	finance
Molex	John H Krehbiel Jr/50	31	31	Downers Grove IL	Lake Forest '59	administration
Monarch Capital	Gordon N Oakes Jr/47	5	5	North Adams MA	Massachusetts '63	banking
Monsanto	Richard J Mahoney/54	26	5	Springfield MA	Massachusetts '55	marketing
Moore Financial	Daniel R Nelson/50	4	2	Spokane WA	Washington St '62	banking

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Compensation (000)				% change	Rank	Stock owned		Company data[1]		
salary + bonus	other	stock gains	total	salary + bonus	among 800 execs	%	mkt val (mil)	sales (mil)	profits (mil)	Company
$308	—	—	$308	NA	721	10.45%	$118.8	$1,470	$45.2	**Masco Industries**
413[2]	—	—	413	NA	652	1.85	1.0	1,839	-60.9	**Maxicare Health**
1,074	$23	$1,621	2,717	13%	59	0.19	10.5	10,314	444.0	**May Dept Stores**
872	—	304	1,175	38	214	0.16	2.9	1,909	152.7	**Maytag**
600	18	—	618	NA	492	0.01	0.1	135	74.3	**MBIA**
559	30	—	589	0	513	7.14	233.3	2,590	137.3	**MCA**
274	—	—	274	NA	738	86.30	2,134.0	150	–13.4	**McCaw Cellular**
800	30	1,738	2,568	NA	64	0.06	4.9	4,853	549.1	**McDonald's**
570	—	777	1,346	NA	168	3.35	83.7	13,146	313.0	**McDonnell Douglas**
721	167	—	888	–6	314	0.09	2.2	1,751	164.8	**McGraw-Hill**
734	—	—	734	9	406	1.54	60.3	3,939	85.0	**MCI Commun**
464	548	26	1,038	16	262	0.07	1.0	7,112	88.7	**McKesson**
444	—	—	444	–4	629	0.16	0.2	1,774	–258.3	**MCorp**
1,053	10	1,651	2,713	144	61	0.12	2.9	4,209	218.2	**Mead**
510	—	—	510	NA	571	0.37	5.2	715	42.9	**Media General**
566	—	4	570	50	525	0.03	0.3	608	83.6	**Medtronic**
968	8	—	976	NA	281	0.14	1.1	3,321	–844.0	**Mellon Bank**
859	73	—	932	NA	294	0.20	7.4	5,930	285.4	**Melville**
505	—	—	505	–4	575	0.08	0.3	670	–24.5	**Mercantile Bncp**
541	—	928	1,468	27	148	0.37	1.7	314	46.1	**Mercantile Bkshs**
825	23	—	848	7	331	0.21	3.3	2,156	129.6	**Mercantile Stores**
514	35	—	549	22	540	7.47	25.6	387	17.1	**Merchants Natl**
1,372	—	—	1,372	42	163	‡	0.3	5,061	906.4	**Merck**
521	24	—	545	–2	546	0.15	1.1	883	79.5	**Meridian Bancorp**
383	—	—	383	–17	675	0.73	1.5	1,787	–396.4	**Meritor Finl**
1,902	731	—	2,633	–34	62	0.23	5.5	10,659	390.6	**Merrill Lynch**
NA[4]	—	—	—	NA	—	‡	§	1,848	32.0	**Fred Meyer**
473	—	—	473	3	607	0.04	0.3	908	73.9	**Michigan Natl**
175	—	—	175	9	780	39.63	1,165.0	457	92.9	**Microsoft**
384	9	—	393	12	669	‡	§	3,455	429.5	**Middle South**
941	—	—	941	12	290	0.22	3.5	1,543	161.5	**Midlantic**
382	128	305	815	34	356	0.23	2.5	529	47.7	**Millipore**
956	59	—	1,015	23	267	‡	1.0	9,429	918.0	**Minn Mng & Mfg**
558	209	—	766	42	390	0.04	0.3	426	70.0	**Minnesota Power**
607	431	—	1,038	13	500	0.07	0.9	1,598	148.8	**MNC Financial**
1,290	38	995	2,323	4	77	0.02	3.0	51,223	1,258.0	**Mobil**
308	47	379	733	45	407	12.24	122.6	437	50.2	**Molex**
355	72	—	427	–3	644	0.14	0.4	1,992	44.1	**Monarch Capital**
925	164	221	1,310	–11	183	0.06	3.8	7,639	436.0	**Monsanto**
265	3	—	269	44	745	0.01	§	319	16.9	**Moore Financial**

‡Less than 0.01%. §Less than $100,000. NA: Not available.

Ownership pays. Of these top corporate leaders, 100 own stock in their companies worth a minimum of $30 million.

Corporate America's Most Powerful People

Company	Chief executive/age	Tenure (years)		Birthplace	Education	Professional background
		with firm	as CEO		undergraduate/graduate	
JP Morgan & Co	Lewis T Preston/61	37	8	New York NY	Harvard '51	banking
Morgan Stanley	S Parker Gilbert/54	28	4	New York NY	Yale '56	investment
Morrison-Knudsen	William J Deasy/50	24	3	New York NY	Washington '63	operations
Morton Thiokol	Charles S Locke/59	13	8	Laurel MS	Mississippi '52/Mississippi, MS '55	finance
Motorola	George M C Fisher/47	12	‡	Anna IL	Illinois '62/Brown, PhD '66	technical
Murphy Oil	Jack W McNutt/53	31	‡	Norphlet AR	Harding '56/Columbia, MS '57	finance
Nalco Chemical	Worley H Clark Jr/55	28	5	Big Stone Gap VA	N Carolina St '56	sales
Nash Finch	Harold B Finch Jr/60	22	6	Grand Forks ND	Minnesota '52	technical
National Bcshs Texas	Richard W Calvert/56	25	17	Cambridge MA	Princeton '54	banking
National City	Edward B Brandon/56	32	1	Davenport IA	Northwestern '53/Pennsylvania, MBA '65	finance
Natl Community Bk	Robert M Kossick/47	9	9	N Brunswick NJ	Georgia Tech '63/St Mary's, MA '76	banking
National Intergroup	Howard M Love/58	32	8	Pittsburgh PA	Colgate '52/Harvard, MBA '56	operations
National Medical	Richard K Eamer*/60	19	19	Long Beach CA	USC '59	legal
Natl Semiconductor	Charles E Sporck/60	21	21	Saranac Lake NY	Cornell '52	operations
National Service	Sidney Kirschner/53	15	1	Canada	NM Sch Mines '56	technical
Navistar Intl	James C Cotting/54	9	1	Winchester MA	Ohio St '55	finance
NBD Bancorp	Charles T Fisher III/58	30	6	Detroit MI	Georgetown '51/Harvard, MBA '53	banking
NCNB	Hugh L McColl Jr/52	29	5	Bennettsville SC	N Carolina '57	banking
NCR	Charles E Exley Jr/58	12	5	Detroit MI	Wesleyan '52/Columbia, MBA '54	finance
New England Electric	Samuel Huntington/49	12	4	Bayshore NY	Columbia '66	legal
NY State E&G	James A Carrigg/55	30	‡	Johnson City NY	Broome Comm '58	operations
New York Times	Arthur Ochs Sulzberger/62	34	25	New York NY	Columbia '51	journalism
Newmont Mining	Gordon R Parker/52	29	3	South Africa	Montana '58/U of Cape Town, MBA '66	operations
News Corp Ltd	K Rupert Murdoch/57	33	11	Australia	Oxford, MA '53	journalism
Niagara Mohawk Power	William J Donlon/58	40	‡	Albany NY	Siena '62	marketing
Nicor	Richard G Cline/53	3	2	Chicago IL	Illinois '57	marketing
Nipsco Industries	Edmund A Schroer/60	11	11	Hammond IN	Valparaiso '49/Northwestern, JD '52	legal
Nordstrom	Bruce A Nordstrom[2]/55	33	17	Seattle WA	Washington '56	retailing
Norfolk Southern	Arnold B McKinnon/60	37	1	Goldsboro NC	Duke '51	legal
Northeast Bancorp	Frank J Kugler Jr/54	29	1	Bridgeport CT		banking
Northeast Savings FA	Kent Dixon/50	27	6	Glens Falls NY	Union '59	banking
Northeast Utilities	William B Ellis/47	12	5	Vicksburg MS	Carnegie-Mellon '62/Maryland, PhD '66	technical
No States Power	James J Howard/52	1	1	Pittsburgh PA	Pittsburgh '57/MIT, MS '70	technical
Northern Trust	Weston R Christopherson/63	3	3	Walum ND	North Dakota '49/North Dakota, JD '51	legal
Northrop	Thomas V Jones/67	35	28	Pomona CA	Stanford '42	technical
No'western Natl Life	John E Pearson/61	35	11	Minneapolis MN	Minnesota '48	sales
Norton	John M Nelson/56	29	‡	New York NY	Wesleyan '53/Harvard, MBA '59	administration
Norwest	Lloyd P Johnson/58	3	3	Minneapolis MN	Carleton '52/Stanford, MBA '54	banking
Noxell	George L Bunting Jr/47	22	15	Baltimore MD	Loyola '62/Columbia, MBA '64	marketing
Nucor	F Kenneth Iverson/62	26	23	Downers Grove IL	Cornell '46/Purdue, MS '47	technical
NWA	Steven G Rothmeier/41	15	3	Mankato MN	Notre Dame '68/Chicago, MBA '72	finance
Nynex	Delbert C Staley/63	42	5	Hammond IN		operations
Occidental Petroleum	Armand Hammer/90	31	31	New York NY	Columbia '19/Columbia, MD '21	finance
Ogden	Ralph E Ablon/72	33	26	Tupelo MS	Ohio St '38	administration
Ohio Casualty	Joseph L Marcum/64	41	‡	Hamilton OH	Antioch '47/Miami of OH, MBA '65	insurance

*Company founder. ‡New CEO, less than six months' service. [1] Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 25, 1988. [2] Office jointly held with James F and John N Nordstrom.

Compensation (000)				% change	Rank	Stock owned		Company data[1]		
salary + bonus	other	stock gains	total	salary + bonus	among 800 execs	%	mkt val (mil)	sales (mil)	profits (mil)	Company
$1,242	$48	$88	$1,378	–11%	161	0.03%	$1.5	$6,834	$83.3	JP Morgan & Co
3,000	30	—	3,030	5	55	3.11	52.5	3,148	230.9	Morgan Stanley
425	—	—	425	–22	645	0.25	1.0	1,857	–59.5	Morrison-Knudsen
930	716	—	1,646	1	128	0.03	0.6	2,166	152.5	Morton Thiokol
488	5	—	493	NA	582	‡	§	6,707	308.0	Motorola
244	**13**	**235**	**492**	**NA**	**586**	**0.13**	**1.4**	**1,474**	**–43.6**	**Murphy Oil**
700	**26**	**—**	**726**	**57**	**412**	**0.05**	**0.7**	**842**	**80.3**	**Nalco Chemical**
295	**59**	**42**	**396**	**10**	**666**	**1.60**	**4.3**	**1,919**	**18.5**	**Nash Finch**
237	**2**	**—**	**239**	**–7**	**762**	**0.23**	**§**	**277**	**–64.0**	**Natl Bcshs TX**
308	**135**	**97**	**540**	**NA**	**554**	**0.05**	**0.6**	**1,468**	**96.9**	**National City**
654	—	—	654	24	460	1.00	4.3	249	34.5	Natl Community
525	102	—	627	NA	478	0.19	0.8	3,960	–10.6	Natl Intergroup
1,012	376	—	1,388	4	157	1.39	23.0	2,987	81.8	National Medical
439	—	—	440	15	635	0.76	10.6	2,068	–0.6	National Semi
466	—	—	466	NA	614	0.10	1.1	1,344	78.5	National Service
640	**56**	**37**	**733**	**NA**	**408**	**0.01**	**0.2**	**3,647**	**176.9**	**Navistar Intl**
914	**—**	**—**	**914**	**10**	**305**	**0.26**	**4.4**	**1,968**	**162.2**	**NBD Bancorp**
423	**38**	**—**	**461**	**–34**	**617**	**0.05**	**0.9**	**2,461**	**166.9**	**NCNB**
1,001	**2**	**2,898**	**3,901**	**7**	**37**	**0.14**	**7.1**	**5,641**	**419.3**	**NCR**
368	**—**	**—**	**368**	**0**	**682**	**0.01**	**0.1**	**1,448**	**168.8**	**New England Elec**
178	9	—	187	NA	776	‡	0.1	1,290	52.3	NY State E&G
721	269	250	1,240	–13	200	0.13	3.1	1,690	160.3	New York Times
910	—	649	1,558	76	138	0.08	1.9	514	339.7	Newmont Mining
1,538	—	—	1,538	NA	143	45.86	1,287.6	3,529	548.4	News Corp Ltd
243	5	—	248	NA	756	‡	0.1	2,623	57.8	Niagara Mohawk
626	**—**	**—**	**626**	**10**	**480**	**0.20**	**1.8**	**1,436**	**83.7**	**Nicor**
307	**36**	**—**	**343**	**4**	**700**	**0.02**	**0.1**	**1,452**	**65.0**	**Nipsco Inds**
338	**38**	**676**	**1,051**	**–1**	**256**	**6.59**	**138.2**	**1,920**	**92.7**	**Nordstrom**
805	**6**	**—**	**811**	**NA**	**360**	**‡**	**0.2**	**4,113**	**172.4**	**Norfolk Southern**
334	**8**	**138**	**480**	**NA**	**600**	**0.31**	**1.0**	**281**	**30.2**	**Northeast Bancp**
433	100	37	571	72	524	0.29	0.2	601	10.3	Northeast Svgs
438	—	—	438	13	636	0.01	0.3	2,081	229.1	Northeast Utils
531	274	—	806	NA	365	‡	§	1,770	204.9	No States Power
787	51	—	839	–1	339	0.49	3.0	834	–65.1	Northern Trust
1,075	73	—	1,148	–4	222	0.16	2.2	6,053	94.2	Northrop
472	**—**	**—**	**472**	**14**	**608**	**0.07**	**0.2**	**1,305**	**38.0**	**No'western Natl**
584	**10**	**163**	**757**	**NA**	**395**	**0.06**	**0.6**	**1,261**	**61.6**	**Norton**
1,105	**26**	**—**	**1,131**	**36**	**230**	**0.05**	**0.6**	**2,298**	**–29.8**	**Norwest**
477	**54**	**280**	**811**	**NA**	**361**	**2.14**	**17.8**	**489**	**43.6**	**Noxell**
159	**156**	**—**	**315**	**NA**	**716**	**1.15**	**9.4**	**851**	**50.5**	**Nucor**
464	—	249	713	–23	422	0.08	1.0	5,142	103.0	NWA
1,015	117	111	1,243	7	199	0.01	1.5	12,084	1,276.5	Nynex
1,938	165	—	2,102	57	88	0.56	32.6	17,096	184.0	Occidental Pet
1,389	113	3,651	5,153	0	24	0.67	8.1	858	54.0	Ogden
338	7	65	414	NA	657	2.61	20.1	1,575	72.6	Ohio Casualty

‡Less than 0.01%. §Less than $100,000. NA: Not available.

Corporate America's Most Powerful People

Company	Chief executive/age	Tenure (years) with firm	Tenure (years) as CEO	Birthplace	Education undergraduate/graduate	Professional background
Ohio Edison	Justin T Rogers Jr/58	30	8	Sandusky OH	Princeton '51/Michigan, JD '54	legal
Oklahoma G&E	James G Harlow Jr/54	27	12	Oklahoma City	Oklahoma '57	finance
Old Kent Financial	John C Canepa/57	18	6	Newburyport MA	Harvard '53/NYU, MBA '60	banking
Old Republic Intl	William R Stover/65	43	12	Washington DC		insurance
Old Stone	Theodore W Barnes/57	40	12	Providence RI		banking
Olin	John W Johnstone Jr/55	9	1	Brooklyn NY	Hartwick '54	technical
Oracle Systems	Lawrence J Ellison*/43	11	11	New York NY	Chicago '66/Illinois, MS '68	technical
Outboard Marine	Charles D Strang/67	22	14	Brooklyn NY	Polytechnic Inst '43	technical
Owens-Corning	William W Boeschenstein/62	38	15	Chicago IL	Yale '50	marketing
Paccar	Charles M Pigott/59	32	20	Seattle WA	Stanford '51	administration
Pacific Enterprises	Paul A Miller/63	40	20	San Francisco CA	Harvard '46	finance
Pacific First Finl	Jerry E Pohlman/46	3	1	Sibley IA	Iowa NA/Iowa, PhD NA	banking
Pacific G&E	Richard A Clarke/58	33	2	San Francisco CA	Calif Berkeley '52/Calif Berkeley, JD '55	legal
Pacific Telesis	Sam L Ginn/51	28	‡	St Clair AL	Auburn '59/Stanford, MBA '68	technical
PacifiCorp	Don C Frisbee/64	35	16	San Francisco CA	Pomona '47/Harvard, MBA '49	finance
PaineWebber Group	Donald B Marron/53	29	8	Goshen NY		investment
Pall	Abraham Krasnoff/67	37	19	Newark NJ	NYU '49	finance
Pan Am	Thomas G Plaskett/44	1	‡	Kansas City MO	GMI Inst '65/Harvard, MBA '67	finance
Panhandle Eastern	Robert D Hunsucker/63	36	5	Winchester KS	Washburn '52	finance
Parker-Hannifin	Paul G Schloemer/59	31	4	Cincinnati OH	Cincinnati '51/Ohio St, MBS '55	operations
Payless Cashways	David Stanley/52	8	6	Kansas City MO	Columbia '57	legal
Penn Central	Carl H Lindner/69	5	1	Dayton OH		finance
Pennbancorp	William F Roemer/54	18	9	Youngstown OH	Princeton '55	banking
JC Penney	William R Howell/52	30	5	Claremore OK	Oklahoma '58	retailing
Pennsylvania P&L	Robert K Campbell/57	11	9	Chicago IL	Ill Tech '52/Loyola, JD '62	technical
Pennzoil	Randal B McDonald/57	‡	‡	El Campo TX	Texas '52	finance
PepsiCo	D Wayne Calloway/52	21	2	Elkin NC	Wake Forest '59	finance
Perkin-Elmer	Horrace G McDonell Jr/59	36	4	New York NY	Adelphi '52	technical
Perpetual Savings	Thomas J Owen/53	13	11	Washington DC	Williams '57	banking
Pfizer	Edmund T Pratt Jr/61	23	15	Savannah GA	Duke '47/Pennsylvania, MBA '49	finance

Company	Chief executive/age	Tenure (years) with firm	Tenure (years) as CEO	Birthplace	Education undergraduate/graduate	Professional background
Phelps Dodge	G Robert Durham/59	21	1	W Frankfort IL	Purdue '51	administration
PHH Group	Robert D Kunisch/46	22	‡	Norwalk, CT	NYU '63	marketing
Philadelphia Elec	Joseph F Paquette Jr/53	32	‡	Norwood MA	Yale '56	administration
Philip Morris Cos	Hamish Maxwell/61	34	4	England	Cambridge '49	marketing
Phillips Petroleum	C J Silas/56	35	3	Miami FL	Georgia Tech '53	operations
Pillsbury	William H Spoor/65	39	‡	Pueblo CO	Dartmouth '49	operations
Pinnacle West	Keith L Turley/64	36	14	Mesa AZ	Arizona St '48	administration
Pioneer Hi-Bred Intl	Thomas N Urban/54	28	7	Des Moines IA	Harvard '56/Harvard, MBA '60	administration
Pitney Bowes	George B Harvey/57	31	5	New Haven CT	Pennsylvania '54	finance
PNC Financial	Thomas H O'Brien/51	26	3	Pittsburgh PA	Notre Dame '58/Harvard, MBA '62	banking

*Company founder ‡New CEO, less than six months' service [1] Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 25, 1988 [2] Figures are for year ended 12/31/86 [3] New CEO in 1988, salary data NA

Compensation (000)				% change	Rank	Stock owned		Company data[1]		
salary + bonus	other	stock gains	total	salary + bonus	among 800 execs	%	mkt val (mil)	sales (mil)	profits (mil)	Company
$360	$84	—	$444	–16%	628	‡	$0.1	$1,780	$412.9	**Ohio Edison**
377	17	—	394	12	668	0.05%	0.7	1,065	114.0	**Oklahoma G&E**
517	—	—	517	10	564	0.53	2.6	536	63.4	**Old Kent Finl**
264[2]	9	—	273	NA	741	10.06	41.7	1,095	102.8	**Old Republic**
352	268	—	621	–8	488	1.40	1.8	444	13.3	**Old Stone**
648	19	$81	748	NA	398	0.08	0.8	1,930	78.0	**Olin**
712	—	—	712	NA	423	29.29	134.1	187	23.3	**Oracle Systems**
528	409	—	937	NA	292	0.05	0.3	1,380	55.7	**Outboard Marine**
1,000	544	—	1,544	15	142	0.53	4.4	2,891	220.5	**Owens-Corning**
769	1,024	—	1,793	3	112	6.22	83.7	2,424	112.5	**Paccar**
847	183	—	1,030	66	263	0.06	1.6	5,339	251.2	**Pacific Ent**
327	1	—	328	NA	711	0.07	0.1	467	28.2	**Pacific First**
538	13	—	551	23	536	‡	0.2	7,186	597.2	**Pacific G&E**
533	49	—	582	NA	519	‡	0.3	9,131	950.0	**Pacific Telesis**
607[2]	—	—	607	NA	500	‡	0.2	2,163	266.3	**PacifiCorp**
1,975	38	1	2,014	–28	93	1.10	5.0	2,437	74.6	**PaineWebber**
436	125	224	785	–17	380	0.48	5.3	403	48.9	**Pall**
500*	—	—	500	NA	578	‡	§	3,593	–265.3	**Pan Am**
606	—	456	1,062	15	252	0.15	1.9	1,563	108.2	**Panhandle East**
662	144	115	921	9	300	0.13	2.2	2,014	92.2	**Parker-Hannifin**
483	—	—	483	–5	596	0.04	0.2	1,768	28.1	**Payless Cashways**
413	150	—	563	NA	530	30.84	511.2	1,421	36.2	**Penn Central**
294	23	212	530	10	559	0.20	0.7	310	33.1	**Pennbancorp**
918	229	67	1,214	1	205	0.03	1.9	15,332	608.0	**JC Penney**
327	4	—	331	4	708	0.02	0.4	2,089	302.5	**Pennsylvania P&L**
350*	—	—	350	NA	694	0.04	1.7	1,786	44.3	**Pennzoil**
1,134	5	548	1,688	25	122	0.02	2.2	11,485	594.8	**PepsiCo**
395	—	98	492	–24	584	0.09	1.0	1,378	–9.5	**Perkin-Elmer**
475	2	—	477	10	603	2.41	2.3	448	28.9	**Perpetual Savings**
1,249	—	4,820	6,068	7	17	0.07	6.9	4,920	690.2	**Pfizer**
800	34	—	834	NA	342	0.02	0.2	1,612	150.6	**Phelps Dodge**
447	16	—	463	NA	616	0.35	1.9	1,545	43.7	**PHH Group**
360*	—	—	360	NA	687	‡	§	3,181	542.4	**Phil Electric**
1,494	—	—	1,494	12	146	0.05	10.7	22,279	1,842.0	**Philip Morris**
729	4	—	733	–11	409	0.06	2.6	10,721	35.0	**Phillips Pet**
NA[3]	—	—	—	NA	—	0.04	1.4	6,198	209.4	**Pillsbury**
865	3	—	868	23	321	0.02	0.5	1,928	268.4	**Pinnacle West**
300	—	—	300	NA	725	0.40	3.9	846	52.3	**Pioneer Hi-Bred**
794	—	—	794	16	374	0.09	3.1	2,251	199.4	**Pitney Bowes**
793	75	36	904	31	309	‡	0.3	2,678	204.8	**PNC Financial**

*Annualized salary. ‡Less than 0.01%. §Less than $100,000. NA: Not available.

These 800 chief executives earned a combined $1 billion last year. But note that the companies they lead earned $146 billion. On average, chief executive earnings come to just $7 per $1,000 dollars of profit, or less than $5 per $1,000 if stock gains are excluded.

Corporate America's Most Powerful People

		Tenure (years)			Education	
Company	**Chief executive/age**	**with firm**	**as CEO**	**Birthplace**	**undergraduate/graduate**	**Professional background**
Polaroid	I MacAllister Booth/56	30	2	Atlanta GA	Cornell '55/Cornell, MBA '58	operations
Portland General	Robert H Short/63	33	8	Klamath Falls OR	Oregon '50	finance
Potlatch	Richard B Madden/59	17	17	Short Hills NJ	Princeton '51/Michigan, JD '56	finance
Potomac Electric	W Reid Thompson/63	17	17	Durham NC	Harvard '49	legal
PPG Industries	Vincent A Sarni/59	19	4	Bayonne NJ	Rhode Island '49/Harvard, AMP '73	marketing
Premark Intl	Warren L Batts/55	8	2	Norfolk VA	Georgia Tech '61/Harvard, MBA '63	administration
Premier Bancorp	G Lee Griffin/49	26	‡	Leavenworth KS	Texas '60/Louisiana St, MS '62	banking
Premier Industrial	Morton L Mandel*/67	48	48	NA		administration
Price Co	Robert E Price*/45	12	12	San Diego CA	Pomona '64	administration
Prime Computer	Joe M Henson/54	6	6	Fort Smith AR	Arkansas '54	marketing
Prime Motor Inns	Peter E Simon*/61	20	20	Passaic NJ		administration
Primerica	Gerald Tsai Jr/59	6	2	China	Boston U '49/Boston U, MA '49	investment
Procter & Gamble	John G Smale/60	36	7	Canada	Miami of OH '49	marketing
Progressive	Peter B Lewis/54	33	23	Cleveland OH	Princeton '55	insurance
Provident Life & Acc	H Carey Hanlin/63	40	9	Chattanooga TN	Michigan '48	insurance
Public Service Colo	Richard F Walker/64	39	10	Alliance NE	Colorado '49	technical
Public Service Ind	Hugh A Barker/62	30	11	Stillwater MN	Minnesota '49	finance
Public Service NH	Robert J Harrison/56	31	5	St Charles MO	Oklahoma '57	finance
Public Service NM	Jerry D Geist/54	28	12	Raton NM	Colorado '56	technical
Pub Svc Enterprise	E James Ferland/46	2	2	Boston MA	Maine '64/New Haven, MBA '76	technical
Puget Sound Bancorp	William W Philip/61	37	16	Tacoma WA		banking
Puget Sound P&L	John W Ellis/59	18	12	Seattle WA	Washington '50/Washington, JD '53	legal
Quaker Oats	William D Smithburg/49	22	7	Chicago IL	DePaul '60/Northwestern, MBA '61	marketing
Quantum Chemical	John Hoyt Stookey/58	18	2	New York NY		technical
Ralston Purina	William P Stiritz/53	24	7	Jasper AR	Northwestern '59/St Louis, MA '68	marketing
Raychem	Paul M Cook*/64	31	31	Ridgewood NJ	MIT '47	technical
Raytheon	Thomas L Phillips/64	40	20	Turkey	Virginia Poly '47/Virginia Poly, MS '48	technical
Reebok International	Paul B Fireman/44	9	9	Cambridge MA	Boston U NA	sales
Reliance Group	Saul P Steinberg*/48	27	27	New York NY	Pennsylvania '61	investment
Republic New York	Walter H Weiner/57	8	8	Brooklyn NY	Michigan '52/Michigan, JD '53	legal
Reynolds Metals	William O Bourke/61	7	2	Chicago IL	DePaul '51	operations
Riggs National	Joe L Allbritton/63	7	7	D'Lo MS	Baylor '49	finance
Rite Aid	Alex Grass*/60	35	26	Scranton PA	Florida '49	legal
RJR Nabisco	F Ross Johnson/56	15	1	Canada	U of Manitoba '52/U of Toronto, MBA '56	operations
Roadway Services	Joseph M Clapp/51	21	1	Greensboro NC	N Carolina '58	sales
Rochester Community	Leonard S Simon/51	19	4	Passaic NJ	MIT '58/Columbia, PhD '63	marketing
Rockwell Intl	Donald R Beall/49	27	‡	Beaumont CA	San Jose State '60/Pittsburgh, MBA '61	administration
Rohm & Haas	Vincent L Gregory Jr/64	39	18	Oil City PA	Princeton '49/Harvard, MBA '51	finance
Rollins Environmental	Darrell M Trent/49	5	5	Neosho MO	Stanford '61/Columbia, MBA '64	technical
Rose's Stores	Lucius H Harvin III/49	24	8	Boston MA	N Carolina '60/Duke, JD '63	retailing
LF Rothschild	Gary Leiberman/34	‡	‡	New York NY	Emory '76/Pennsylvania, MBA '80	banking
Rouse	Mathias J DeVito/57	20	9	Trenton NJ	Maryland '56	legal
Rubbermaid	Stanley C Gault/62	8	8	Wooster OH	Wooster '48	marketing
Ryder System	M Anthony Burns/45	14	5	Las Vegas NV	Brigham Young '64/Cal Berkeley, MBA '65	finance
Safeco	Bruce Maines/61	38	2	Tacoma WA	Washington '48/Washington, JD '49	legal

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Compensation (000)				% change	Rank	Stock owned		Company data[1]		
salary + bonus	other	stock gains	total	salary + bonus	among 800 execs	%	mkt val (mil)	sales (mil)	profits (mil)	Company
$449	$337	—	$786	0	378	‡	$0.1	$1,764	$116.1	**Polaroid**
563	5	—	568	83%	526	0.01%	0.1	764	78.0	**Portland General**
865	11	$4,106	4,981	3	25	0.17	1.5	992	87.6	**Potlatch**
647	12	—	659	6	457	0.10	2.0	1,332	208.2	**Potomac Electric**
878	13	52	943	26	289	0.04	1.7	5,183	377.1	**PPG Industries**
969	173	—	1,142	21	225	0.46	4.8	2,197	71.5	**Premark Intl**
242	14	—	256	NA	752	0.23	0.3	445	–18.4	**Premier Bancorp**
352	1	—	353	NA	692	20.38	260.0	487	56.0	**Premier Inds**
229	—	—	229	1	765	2.73	51.8	3,487	81.4	**Price Co**
738	59	665	1,462	NA	151	0.01	0.1	961	64.8	**Prime Computer**
709	23	1,112	1,843	9	107	2.29	25.3	254	59.6	**Prime Motor Inns**
1,540	89	—	1,629	26	129	2.46	32.8	3,762	198.6	**Primerica**
1,243	155	201	1,599	15	133	0.02	2.7	17,892	481.0	**Procter & Gamble**
1,606	30	1,979	3,615	139	40	13.00	105.8	1,000	89.8	**Progressive**
400	58	—	458	–11	620	0.02	0.1	2,515	93.9	**Provident Life**
264	—	—	264	1	747	0.02	0.2	1,657	143.7	**Public Svc Colo**
269	1	—	270	31	743	0.02	0.1	1,070	145.3	**Public Svc Ind**
248	—	—	248	14	757	‡	§	549	–87.0	**Public Svc NH**
427	288	—	715	–9	421	0.05	0.3	690	95.4	**Public Svc NM**
495	10	—	505	19	576	‡	0.1	4,211	520.5	**Public Svc Ent**
315	9	—	324	1	713	0.68	2.2	356	18.6	**Puget Sound Bncp**
336	—	—	336	49	703	0.03	0.3	729	120.4	**Puget Sound P&L**
998	611	—	1,609	14	131	0.19	7.4	4,872	209.2	**Quaker Oats**
982	5	1,091	2,077	50	89	0.12	3.0	2,567	251.6	**Quantum Chemical**
869	580	611	2,060	16	91	0.53	25.9	5,913	359.9	**Ralston Purina**
645	18	—	663	99	452	3.55	60.5	1,016	89.8	**Raychem**
1,005	[illegible]	317	1,325	7	178	0.20	9.0	7,659	445.1	**Raytheon**
15,424	4	—	15,427	18	5	14.83	250.6	1,389	165.2	**Reebok Intl**
4,272	36	—	4,308	2	33	56.17	241.5	3,363	125.9	**Reliance Group**
555	—	—	555	–16	534	0.07	0.9	1,665	33.0	**Republic NY**
938	20	849	1,806	32	110	0.05	1.1	4,284	200.7	**Reynolds Metals**
700	—	—	700	8	433	33.62	101.2	479	1.0	**Riggs National**
525	102	—	627	–4	479	6.51	104.3	2,273	133.8	**Rite Aid**
1,737	980	—	2,716	NA	60	0.09	12.1	15,766	1,289.0	**RJR Nabisco**
273	—	—	273	NA	739	0.08	0.9	1,909	50.5	**Roadway Services**
313	—	—	313	48	717	0.18	0.3	298	15.3	**Rochester Commun**
1,108	26	2,408	3,542	NA	41	0.11	5.5	11,936	678.6	**Rockwell Intl**
932	10	444	1,386	17	159	0.14	2.9	2,203	195.5	**Rohm & Haas**
1,448	—	480	1,927	NA	103	0.61	6.4	185	31.3	**Rollins Environ**
275	88	—	363	NA	686	7.07	6.0	1,337	18.1	**Rose's Stores**
NA[2]	—	—	—	NA	—	‡	§	461	–129.1	**LF Rothschild**
812	—	—	812	9	359	1.48	15.9	388	10.6	**Rouse**
851	266	—	1,118	4	232	0.39	6.4	1,015	84.5	**Rubbermaid**
990	—	—	990	4	277	0.21	4.9	4,609	187.1	**Ryder System**
442	14	—	456	16	621	0.05	0.7	2,592	231.4	**Safeco**

‡Less than 0.01%. §Less than $100,000. NA: Not available.

Corporate America's Most Powerful People

Company	Chief executive/age	Tenure (years) with firm	Tenure (years) as CEO	Birthplace	Education undergraduate/graduate	Professional background
Safety-Kleen	Donald W Brinckman*/57	20	20	Chicago IL	Northwestern '54/MBA '59	marketing
St Paul Cos	Robert J Haugh/62	39	4	Milwaukee WI	Marquette '46/Marquette, JD '48	insurance
St Paul Bancorp	Joseph C Scully*/46	25	6	Detroit MI	Loyola '62/Loyola, MBA '72	banking
Salomon	John H Gutfreund/59	35	4	New York NY	Oberlin '51	investment
San Diego G&E	Thomas A Page/55	10	7	Niagara Falls NY	Purdue '55/Purdue, MS '63	technical
San Francisco Federal	Patrick H Price/60	35	3	Coos Bay OR		banking
Santa Fe Southern	Robert D Krebs/46	22	1	Sacramento CA	Stanford '64/Harvard, MBA '66	administration
Sara Lee	John H Bryan Jr/51	28	13	West Point MS	Rhodes C '58	administration
Scana	John A Warren/63	31	3	Paducah KY	Vanderbilt '48	operations
Schering-Plough	Robert P Luciano/54	10	6	New York NY	CUNY City Col '54/Michigan, JD '58	legal
Scott Paper	Philip E Lippincott/52	29	6	Camden NJ	Dartmouth '57/Michigan St, MBA '64	operations
Seagate Technology	Allan F Shugart*/57	9	9	Los Angeles CA	Redlands '53	technical
Seamen's	Robert K Utley III/43	3	3	NA		finance
Sears, Roebuck	Edward A Brennan/54	32	2	Chicago IL	Marquette '55	retailing
Security Pacific	Richard J Flamson III/59	33	10	Los Angeles CA	Claremont Mens '51	banking
Service Corp Intl	Robert L Waltrip*/57	26	26	Austin TX	Houston '54	operations
Service Merchandise	Raymond Zimmerman*/55	28	15	Memphis TN		retailing
Shawmut National	Joel B Alvord/49	25	2	Manchester CT	Dartmouth '60/Dartmouth, MBA '61	banking
Sherwin-Williams	John G Breen/53	9	9	Cleveland OH	John Carroll '56/Case Western, MBA '61	operations
Sigma-Aldrich	Carl T Cori/51	18	5	NA		administration
Signet Banking	Frederick Deane Jr/61	35	15	Boston MA	Harvard, MBA '51	finance
SmithKline Beckman	Henry Wendt/54	33	6	Neptune City NJ	Princeton '55	marketing
Snap-on Tools	Marion F Gregory/54	33	‡	Denison TX		sales
Society	Robert W Gillespie/44	20	1	Cleveland OH	Ohio Wesleyan '66/Case West, MBA '68	banking
Society for Savings	Elliott C Miller/54	16	9	Cambridge MA	Harvard '56/Michigan, JD '61	legal
Sonat	Ronald L Kuehn Jr/53	18	4	Queens NY	Fordham '64	legal
Sonoco Products	Charles W Coker Jr/55	30	18	Hartsville SC	Princeton '55/Harvard, MBA '57	administration
South Carolina Natl	James G Lindley/56	9	7	Greensboro NC	N Carolina '53/NYU, MBA '60	banking
Southeast Banking	Charles J Zwick/61	19	9	Plantsville CT	Connecticut '50/Harvard, PhD '54	finance
So Calif Edison	Howard P Allen/62	34	4	Upland CA	Pomona '48/Stanford, JD '51	legal
Southern Company	Edward L Addison/58	34	5	Cottageville SC	S Carolina '50	technical
So New England Tel	Walter H Monteith Jr/57	34	4	Framingham MA	Amherst '52	sales
Southmark	Gene E Phillips/50	8	7	Gaffney SC	Clemson '59	investment
SouthTrust	Wallace D Malone Jr/51	29	7	Dothan AL	Alabama '57/Pennsylvania, MS '59	banking
Southwest Gas	William M Laub Sr/63	40	24	Philippines	Calif Berkeley '50	legal
Southwestern Bell	Zane E Barnes/66	47	13	Marietta OH	Marietta '47	operations
Southwestern Pub Svc	Bert Ballengee/63	39	3	Trinidad CO	Texas '48	finance
Sovran Financial	Clifford A Cutchins III/64	41	8	Southampton VA	Virginia Polytech '47	banking
Springs Industries	Walter Y Elisha/55	8	7	Gary IN	Wabash '54/Harvard, MBA '65	administration
Square D	Dalton L Knauss/60	19	5	Imboden AR		technical
Squibb	Richard M Furlaud/65	33	22	New York NY	Princeton '44/Harvard, JD '47	legal
Staley Continental	Donald E Nordlund/66	32	15	Stromsburg NE	Midland Luth '43/Michigan, JD '48	legal
Standard Fedl Bank	Thomas R Ricketts/57	32	14	Detroit MI	Michigan '53/Michigan, JD '56	legal
Stanley Works	Richard H Ayers/45	16	1	Newton MA	MIT '65/MIT, MS '67	operations
State Street Boston	William S Edgerly/61	13	13	Lewiston ME	MIT '49/Harvard, MBA '55	finance

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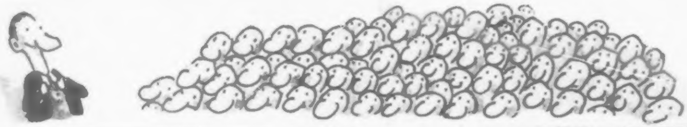
Compensation (000) salary + bonus	other	stock gains	total	% change salary + bonus	Rank among 800 execs	Stock owned %	mkt val (mil)	Company data[1] sales (mil)	profits (mil)	Company
$515	—	—	$515	NA	566	1.18%	$10.6	$334	$35.1	Safety-Kleen
852	$26	$60	938	18%	291	0.05	1.0	3,366	318.8	St Paul Cos
450	90	—	540	NA	550	1.02	1.3	244	20.2	St Paul Bancorp
1,253	10	—	1,263	–60	194	0.09	2.7	6,003	142.0	Salomon
482	9	—	491	9	587	0.06	1.0	1,904	179.1	San Diego G&E
269	—	—	269	NA	744	0.20	0.2	264	20.0	San Fran Fedl
889	—	—	889	NA	313	0.03	0.7	5,448	373.5	Santa Fe South
1,251	588	3,949	5,788	6	20	0.18	8.2	9,671	294.9	Sara Lee
270	15	—	285	16	737	0.14	1.7	1,116	128.9	Scana
1,221	5	2,026	3,252	34	47	0.01	0.8	2,699	316.4	Schering-Plough
802	—	355	1,157	16	218	0.04	1.2	4,122	233.8	Scott Paper
1,264	—	3,213	4,476	224	30	1.13	11.3	1,076	115.3	Seagate Tech
470	—	—	470	NA	609	6.18	5.6	368	18.7	Seamen's
1,507	487	—	1,994	21	97	0.01	1.4	48,440	1,498.9	Sears, Roebuck
1,009	34	419	1,462	–9	150	0.03	1.0	7,618	15.7	Security Pacific
500	42	—	542	–24	549	1.27	13.3	527	61.4	Svc Corp Intl
461	29	—	490	–18	589	8.16	23.1	2,719	24.9	Svc Merchandise
685	70	399	1,154	NA	219	0.17	2.7	2,341	158.9	Shawmut National
839	99	831	1,770	4	113	0.90	10.4	1,793	96.6	Sherwin-Williams
653	13	—	666	NA	450	0.16	1.7	305	41.9	Sigma-Aldrich
593	254	—	848	13	330	0.33	2.2	1,035	23.5	Signet Banking
1,529	14	805	2,348	27	75	0.05	3.4	4,329	570.1	SmithKline
444	—	—	444	NA	632	0.03	0.5	754	88.6	Snap-on Tools
498	20	98	616	NA	494	0.05	0.4	877	90.9	Society
300	112	—	412	26	654	0.63	1.2	368	29.9	Society for Svgs
662	—	—	662	12	453	0.05	0.5	1,418	105.0	Sonat
642	—	741	1,383	NA	160	1.32	16.2	1,312	61.5	Sonoco Products
467	66	—	533	23	556	0.17	0.8	489	52.9	S Carolina Natl
617	4	—	621	11	489	0.34	2.1	1,164	38.4	Southeast Banking
750	23	—	773	13	386	‡	0.6	5,493	720.6	So Calif Edison
524	30	—	554	–15	535	‡	0.4	7,010	554.4	Southern Company
442	12	—	455	17	622	0.02	0.3	1,470	139.7	So New Eng Tel
861	—	—	861	25	324	23.45	26.5	2,059	86.2	Southmark
539	44	66	649	14	465	1.07	5.8	505	60.4	SouthTrust
422	2	—	424	NA	646	0.56	2.1	661	39.7	Southwest Gas
1,134	186	—	1,320	5	180	0.02	1.8	8,003	1,047.1	Southwestern Bell
230	3	—	233	–12	763	0.02	0.2	776	104.1	Southwestern PS
806	132	79	1,017	26	266	0.11	2.1	2,019	217.4	Sovran Financial
1,000	30	—	1,030	23	264	0.35	2.1	1,661	55.7	Springs Inds
822	—	—	822	24	349	0.55	8.2	1,484	110.0	Square D
1,405	745	11,891	14,040	16	6	0.22	13.1	2,157	358.4	Squibb
929	410	90	1,429	0	154	0.70	7.8	3,409	58.0	Staley Contl
462	—	—	462	NA	616	0.14	0.3	808	56.8	Standard Fedl Bk
496	93	—	589	NA	512	0.04	0.6	1,763	86.6	Stanley Works
657	4	9,455	10,116	12	8	1.39	11.2	757	83.1	State St Boston

‡Less than 0.01%. NA: Not available

Corporate America's Most Powerful People

Company	Chief executive/age	Tenure (years) with firm	Tenure (years) as CEO	Birthplace	Education undergraduate/graduate	Professional background
JP Stevens	Whitney Stevens/61	40	8	Plainfield NJ	Princeton '47	sales
Stone Container	Roger W Stone/53	31	9	Chicago IL	Pennsylvania '57	marketing
Student Loan	Edward A Fox/51	15	15	New York NY	Cornell '58/NYU, MBA '63	finance
Subaru of America	Harvey H Lamm/52	20	13	Philadelphia PA		sales
Sumitomo Bank Calif	Keizo Yoshida/52	30	1	Japan	Tokyo '58	legal
Summit Bancorp	Thomas D Sayles Jr/56	18	15	Newton Ctr MA	Dartmouth '54/NYU, MBA '61	banking
Sun Company	Robert McClements Jr/59	23	3	Philadelphia PA	Drexel '52	technical
Sun Microsystems	Scott G McNealy*/33	6	4	Columbus OH	Harvard '76/Stanford, MBA '80	operations
Sundstrand	Evans W Erikson/61	36	8	Rockford IL	Illinois '50	technical
SunTrust Banks	Robert Strickland/61	40	12	Atlanta GA	Atlanta Law '53	banking



Company	Chief executive/age	Tenure (years) with firm	Tenure (years) as CEO	Birthplace	Education undergraduate/graduate	Professional background
Super Food Services	Jack Twyman/54	18	16	Pittsburgh PA	Cincinnati '55	administration
Super Valu Stores	Michael W Wright/49	11	7	Minneapolis MN	Minnesota '61/Minnesota, JD '63	legal
Sysco	John F Woodhouse/57	19	5	Wilmington DE	Wesleyan '53/Harvard, MBA '55	finance
Talman Home Federal	Theodore H Roberts/59	3	3	Gillette AR	NW St La '49/Oklahoma St, MA '50	banking
Tambrands	Edwin H Shutt Jr/60	7	6	St Louis MO	Princeton '50	marketing
Tandem Computers	James G Treybig*/47	14	14	Clarendon TX	Rice '63/Stanford, MBA '68	administration
Tandy	John V Roach/49	21	7	Stamford TX	Texas Christian '61/MBA '65	operations
TCF Financial	William A Cooper/44	3	3	Detroit MI	Wayne State '67	finance
TECO Energy	Hugh L Culbreath/67	31	16	Tampa FL	US Naval Acad '44	finance
Tecumseh Products	Todd W Herrick/45	16	2	Tecumseh MI	Notre Dame '67	administration
Tektronix	David P Friedley/48	14	1	Morristown NJ	Cornell '62	marketing
Tele-Communications	John C Malone/47	15	15	Milford CT	Yale '63/Johns Hopkins, PhD '67	administration
Teledyne	George A Roberts/69	47	2	Uniontown PA	Carnegie-Mellon '39/PhD '42	technical
Temple-Inland	Clifford J Grum/53	20	4	Davenport IA	Austin '56/Pennsylvania, MBA '58	finance
Tenneco	James L Ketelsen/57	29	10	Davenport IA	Northwestern '52	finance
Tesoro Petroleum	Dennis F Juren/53	18	‡	La Grange TX	Texas '57/Houston, MBA '59	technical
Texaco	James W Kinnear/60	34	1	Pittsburgh PA	US Naval Acad '50	sales
Texas Air	Francisco A Lorenzo/48	16	8	New York NY	Columbia '61/Harvard, MBA '63	finance
Texas American Bcsh	Joseph M Grant/49	13	2	San Antonio TX	Southern Methodist '60/Texas, PhD '70	banking
Texas Eastern	Dennis R Hendrix Jr/48	3	1	Selmar TN	Tenn Knoxville '62/Georgia St, MBA '67	operations
Texas Instruments	Jerry R Junkins/50	29	3	Fort Madison IA	Iowa St '59/Southern Methodist, MS '68	operations
Texas Utilities	Jerry S Farrington/53	31	1	Burkburnett TX	N Texas St '55/N Texas St, MBA '58	administration
Textron	Beverly F Dolan/60	34	3	Augusta GA	Georgia '52	operations
Time Inc	J Richard Munro/57	31	8	Syracuse NY	Colgate '57	operations
Times Mirror	Robert F Erburu/57	27	7	Ventura CA	USC '52/Harvard, JD '55	legal
Timken	William R Timken Jr/49	26	13	Canton OH	Stanford '60/Harvard, MBA '62	operations
Torchmark	Ronald K Richey/61	24	3	Erie KS	Washburn '49/Washburn, JD '51	insurance
Toys "R" Us	Charles Lazarus*/64	32	32	Washington DC		administration
Trans World Airlines	Carl C Icahn/52	2	2	Queens NY	Princeton '57	investment
Transamerica	James R Harvey/53	23	7	Los Angeles CA	Princeton '56/Calif Berkeley, MBA '63	finance

*Company founder ‡New CEO, less than six months' service [1] Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr 25, 1988 [2] New CEO in 1988, salary data NA [3] Figures are for year ended 12/31/86 [4] Director's fees only

Compensation (000)*				% change	Rank	Stock owned		Company data[1]		
salary + bonus	other	stock gains	total	salary + bonus	among 800 execs	%	mkt val (mil)	sales (mil)	profits (mil)	Company
$754	$72	—	$826	9%	348	0.42%	$4.4	$1,635	$56.9	JP Stevens
757	156	—	913	71	306	2.74	49.2	3,233	161.3	Stone Container
664	58	—	722	89	416	‡	§	1,668	181.0	Student Loan
540	—	—	540	-11	552	0.30	0.9	1,746	-54.0	Subaru of Am
NA[2]	—	—	—	NA	—	0.16	0.3	304	20.4	Sumitomo Bk Cal
409	11	—	420	NA	649	0.71	2.4	245	30.0	**Summit Bancorp**
852	—	$357	1,209	8	206	‡	0.4	8,691	348.0	**Sun Company**
433	—	—	433	NA	637	2.69	33.3	756	48.0	**Sun Microsystems**
700	634	—	1,334	6	176	0.33	3.2	1,365	34.6	**Sundstrand**
515	25	336	876	7	318	0.15	3.9	2,561	[illegible]2.8	**SunTrust Banks**

GM's Roger Smith's total compensation of $1.4 million works out to $1.77 per employee, while MBIA's William O. Bailey's compensation works out to over $3,091 per worker.

salary + bonus	other	stock gains	total	% change salary + bonus	Rank among 800 execs	%	mkt val (mil)	sales (mil)	profits (mil)	Company
499	—	150	648	13	466	1.56	2.6	1,533	12.5	**Super Food Svc**
651	—	229	880	8	316	0.25	4.1	9,406	108.6	**Super Valu Strs**
327	—	—	327	-28	712	0.31	4.2	3,991	67.2	**Sysco**
600	7	—	607	0	499	3.39	2.4	533	13.1	**Talman Home Fedl**
528	—	216	744	13	400	0.24	2.9	539	76.6	**Tambrands**
513	—	—	513	48	567	0.51	9.0	1,080	102.2	Tandem Computers
829	87	—	916	36	302	0.06		[illegible]55	289.8	Tandy
485	—	—	485	47	594	1.09	0.8	570	-67.7	TCF Financial
351	58	—	409	10	658	0.05	0.6	970	110.7	TECO Energy
235	5	—	240	NA	760	0.18	1.5	951	71.6	Tecumseh Prods
NA[2]	—	—	—	NA	—	‡	§	1,389	25.7	**Tektronix**
375	15	—	390	7	673	0.80	33.1	1,416	36.0	**Tele-Commun**
800	—	—	800	0	369	0.85	32.7	4,288	377.2	**Teledyne**
665	2	4,534	5,201	17	23	0.64	8.6	1,938	141.4	**Temple-Inland**
1,049	36	—	1,085	11	244	0.02	1.5	14,790	-218.0	**Tenneco**
375	—	43	418	NA	651	0.30	0.4	1,353	-2.5	Tesoro Petroleum
723	4	—	727	NA	411	0.02	2.7	34,372	-4,407.0	Texaco
474[3]	11	—	485	NA	593	0.13	0.6	8,475	-466.1	Texas Air
297	12	—	308	5	719	0.32	0.1	508	-78.0	Texas Am Bcsh
564	105	—	669	NA	448	0.03	0.5	3,573	96.1	Texas Eastern
685	21	—	706	37	426	0.18	6.8	5,595	256.9	**Texas Instruments**
433	11	—	444	NA	630	‡	0.3	4,083	680.0	**Texas Utilities**
1,855	609	657	3,121	27	50	0.12	2.7	7,248	288.9	**Textron**
1,288	—	6,125	7,413	61	13	0.17	8.7	4,193	250.0	**Time Inc**
1,302	—	—	1,302	17	184	0.18	7.9	3,080	266.5	**Times Mirror**
308	—	—	308	NA	720	14.56	160.1	1,230	10.3	Timken
925	59	132	1,116	0	233	0.51	8.6	1,590	200.9	Torchmark
3,594	30	56,410	60,034	20	1	0.77	37.1	3,137	203.9	Toys "R" Us
25[4]	—	—	25	-17	784	75.65	801.9	4,056	45.3	Trans World Air
1,300	—	—	1,300	61	185	0.04	1.1	7,175	427.2	Transamerica

‡Less than 0.01%. §Less than $100,000. NA: Not available.

Corporate America's Most Powerful People

Company	Chief executive/age	Tenure (years) with firm	Tenure (years) as CEO	Birthplace	Education undergraduate/graduate	Professional background
Transco Energy	George S Slocum/48	10	1	East Orange NJ	Cornell '62/Cornell, MBA '67	administration
Travelers	Edward H Budd/55	33	7	Zanesville OH	Tufts '55	insurance
Triangle Industries	Nelson Peltz/46	5	5	New York NY	Pennsylvania '64	administration
Tribune	Stanton R Cook/62	37	14	Chicago IL	Northwestern '49	technical
Trinova	Darryl F Allen/44	16	2	Detroit MI	Michigan St '65/Michigan, MBA '66	finance
Trustcorp	George W Haigh/56	12	10	Toledo OH	Dartmouth '53	banking
TRW	Ruben F Mettler/64	33	10	Shafter CA	Cal Tech '44/Cal Tech, PhD '49	technical
Tucson Electric	Einar Greve/60	13	3	Norway	Tech Inst of Norway '51/MIT, MSEE '53	technical
Turner	Herbert D Conant/64	38	3	Troy NY	Stevens Inst Tech '46	technical
TW Services	Frank L Salizzoni/49	21	1	Bridgeville PA	Penn St '60/George Washington, MEA '64	finance
Tyson Foods	Don Tyson/58	36	25	Olathe KS		operations
Union Camp	Raymond E Cartledge/58	32	2	Pensacola FL	Alabama '52	sales
Union Carbide	Robert D Kennedy/55	33	2	Pittsburgh PA	Cornell '55	operations
Union Electric	William E Cornelius/56	26	4	Salt Lake UT	Missouri '53	finance
Union National	George F Kesel/55	27	11	Pittsburgh PA	Williams '54/Pennsylvania, MBA '56	banking
Union Pacific	Andrew L Lewis Jr/56	2	1	Philadelphia PA	Haverford '53/Harvard, MBA '55	administration
Union Planters	Benjamin W Rawlins Jr/50	14	4	Murfreesboro TN	Vanderbilt '61/Georgia St, MBA '69	banking
Unisys	W Michael Blumenthal/62	8	8	Germany	Calif Berkeley '51/Princeton, PhD '56	administration
United Artists	Stuart D Blair/39	1	1	Scotland	U of Glasgow, MA '71	administration
United Banks of Colo	N Berne Hart/58	34	9	Denver CO	Colorado '51	banking
United Brands	Carl H Lindner/69	4	4	Dayton OH		finance
United Cable TV	Gene W Schneider*/61	35	35	Enid OK	Texas '49	administration
United Financial	Jenard M Gross/58	3	3	Nashville TN	Vanderbilt '50	investment
United Illuminating	George W Edwards Jr/49	3	3	Memphis TN	Arkansas '61	administration
United Jersey Banks	T Joseph Semrod/51	7	7	Oklahoma City	Oklahoma '58/Oklahoma, JD '63	banking
United Missouri Bcsh	R Crosby Kemper/61	38	18	Kansas City MO		banking
US Bancorp	Roger L Breezley/50	11	1	Williston ND	North Dakota '60	finance
US Shoe	Philip G Barach/58	27	20	Boston MA	Boston U '51/Harvard, MBA '55	administration
United Technologies	Robert F Daniell/54	32	2	Milton MA	Boston U '54	technical
United Telecom	William T Esrey/48	8	3	Philadelphia PA	Denison '61/Harvard, MBA '64	administration
Universal	Gordon L Crenshaw/66	42	23	Richmond VA	Virginia '43	sales
Unocal	Fred L Hartley/71	49	23	Canada	U of Brit Columbia '39	technical
UNUM Corp	James F Orr III/45	2	1	Minneapolis MN	Villanova '62/Boston U, MBA '69	banking
Upjohn	Theodore Cooper/59	8	1	Trenton NJ	Georgetown '49/St Louis, PhD '56	technical
US West	Jack A MacAllister/60	38	13	Humeston IA	Iowa '50	administration
USAir Group	Edwin I Colodny/61	31	13	Burlington VT	Harvard '51	legal
USF&G	Jack Moseley/56	35	8	Birmingham AL	Auburn '53	insurance
USG	Robert J Day/63	38	3	Sharon PA	Penn St '47	sales
USLife	Gordo . Crosby Jr/67	29	22	Remsen IA		marketing
UST Inc	Louis . Bantle/59	26	15	Bridgeport CT	Syracuse '51	marketing
USX	David M Roderick/64	35	9	Pittsburgh PA	Pittsburgh '56	finance
Utah Power & Light	Frank N Davis/63	40	1	Salt Lake UT	Purdue '46	technical
Valhi	Harold C Simmons/57	6	1	Alba TX	Texas '51/Texas, MA '52	investment
Valley Bancorp	Gus A Zuehlke/66	35	29	Appleton WI	Notre Dame '43	banking
Valley Federal S&L	Dan E Nelms/42	5	‡	Paragould AR		banking

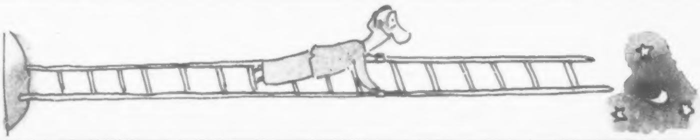
*Company founder. ‡New CEO, less than six months' service. [1] Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 25, 1988. [2] Fees paid to management consulting firm in which CEO has an interest. [3] Figures are for year ended 12/31/86.

Compensation (000) salary + bonus	other	stock gains	total	% change salary + bonus	Rank among 800 execs	Stock owned %	mkt val (mil)	Company data[1] sales (mil)	profits (mil)	Company
$463	$146	—	$609	NA	498	0.07%	$0.6	$3,242	$–82.3	**Transco Energy**
876	49	—	924	6%	299	0.04	1.2	17,459	302.9	**Travelers**
NA[2]	—	—	—	NA	—	21.45	43.3	4,336	55.5	**Triangle Inds**
922	29	$2,508	3,459	16	44	0.46	13.9	2,160	141.5	**Tribune**
766	—	736	1,502	15	145	0.07	0.7	1,682	75.1	**Trinova**
468	—	22	490	23	588	0.18	0.6	517	51.0	**Trustcorp**
1,061	32	3,530	4,623	8	27	0.24	6.2	6,821	243.4	**TRW**
327	—	1,533	1,860	11	106	0.19	2.7	472	126.0	**Tucson Electric**
461	—	31	492	–6	585	0.69	0.5	2,790	–22.3	**Turner**
584	2	—	586	NA	516	0.11	0.9	2,492	56.5	**TW Services**
3,447	48	—	3,495	28	43	3.13	29.6	1,796	70.0	**Tyson Foods**
662	10	,141	813	66	358	0.02	0.5	2,308	207.5	**Union Camp**
1,000	7	108	1,115	30	234	‡	0.3	6,914	232.0	**Union Carbide**
465	2	—	467	8	613	0.01	0.3	1,946	333.9	**Union Electric**
198[3]	9	22	230	NA	764	0.10	0.3	294	30.3	**Union National**
1,200	48	2,753	4,000	NA	36	0.02	1.7	5,943	583.0	**Union Pacific**
450	40	—	490	NA	591	0.37	0.7	257	10.1	**Union Planters**
1,278	271	8,433	9,983	27	9	0.02	1.0	9,713	578.0	**Unisys**
153	—	–	153	NA	782	0.01	0.1	701	25.8	**United Artists**
300	8	—	307	4	722	0.25	0.6	548	0.7	**United Bks Colo**
699[3]	3	—	702	NA	431	‡	§	3,268	61.3	**United Brands**
403	—	—	403	NA	661	2.09	27.1	241	–7.2	**United Cable TV**
565	—	—	565	13	528	1.37	0.1	672	–118.0	**United Financial**
269	—	—	269	19	746	0.08	0.2	498	95.2	**United Illum**
701	159	—	859	13	325	0.13	1.1	893	102.7	**United Jersey Bks**
422	30	135	587	2	515	6.72	22.8	287	32.3	**United Missouri**
383	18	—	400	NA	662	0.07	0.6	1,154	99.6	**US Bancorp**
600	1,731	—	2,331	24	76	0.29	2.5	2,168	36.0	**US Shoe**
1,088	64	49	1,200	28	209	0.02	1.1	17,170	591.7	**United Tech**
639	—	—	639	6	471	0.01	0.4	2,982	–51.5	**United Telecom**
538	11	—	548	7	542	0.80	4.5	2,298	61.8	**Universal**
964	5	—	970	4	283	0.27	11.5	8,446	181.0	**Unocal**
479	2	—	481	NA	598	0.02	0.2	2,094	94.8	**UNUM Corp**
803	6	537	1,346	NA	169	0.06	3.1	2,530	305.0	**Upjohn**
863	51	—	914	26	304	0.02	1.9	8,445	1,005.5	**US West**
608	30	242	880	1	315	0.28	4.2	3,001	194.6	**USAir Group**
873	238	—	1,112	–23	235	0.03	0.6	4,826	265.3	**USF&G**
833	7	51	891	8	311	0.31	6.7	2,898	204.3	**USG**
769	—	30	799	12	371	0.40	2.5	1,189	79.8	**USLife**
1,535	15	—	1,550	28	141	1.09	18.8	576	130.9	**UST Inc**
1,364	—	2,484	3,848	85	38	0.01	0.9	13,898	206.0	**USX**
174	1	—	176	NA	779	‡	0.1	983	144.8	**Utah Power & Lt**
587	117	—	705	NA	428	0.05	0.5	1,383	11.1	**Valhi**
315	14	—	329	NA	710	0.57	1.3	249	20.3	**Valley Bancorp**
161	—	—	161	NA	781	0.04	§	315	16.5	**Valley Fedl S&L**

‡Less than 0.01%. §Less than $100,000. NA: Not available.

Corporate America's Most Powerful People

Company	Chief executive/age	Tenure (years) with firm	Tenure (years) as CEO	Birthplace	Education undergraduate/graduate	Professional background
Valley National	James P Simmons/63	‡	‡	Wichita Falls TX	Harvard, MBA '47	banking
VF	Lawrence R Pugh/55	8	6	White Plains NY	Colby '56	marketing
Viacom	Frank J Biondi Jr/43	1	1	New York NY	Princeton '66/Harvard, MBA '68	administration
Vons Cos	Roger E Stangeland/58	28	4	Chicago IL	Illinois '51	retailing
Vulcan Materials	Herbert A Sklenar/56	16	2	Omaha NE	Nebr Omaha '52/Harvard, MBA '54	finance
Wal-Mart Stores	David D Glass/52	12	‡	Mountainview MO	SW Missouri St '59	finance
Walgreen	Charles R Walgreen III/52	36	17	Chicago IL	Michigan '58	operations
Wang Laboratories	An Wang*/68	37	37	China	Chia Tung '40/Harvard, PhD '48	technical
Warner Commun	Steven J Ross/60	26	26	Brooklyn NY		finance
Warner-Lambert	Joseph D Williams/61	38	3	Washington PA	Nebr Lincoln '50	marketing
Washington Mutual	Louis H Pepper/63	7	7	Libertyville IL	Wisconsin Milwaukee '50/JD '51	legal
Washington Post	Katharine Graham/70	25	15	New York NY	Chicago '38	administration
Washington Water	Paul A Redmond/51	23	4	Lakeview OR	Gonzaga '65	operations
Waste Management	Dean L Buntrock*/56	32	20	Columbia SD	St Olaf '55	administration
Weis Markets	Sigfried Weis/72	50	28	Selinsgrove PA	Yale '38	retailing
Wells Fargo	Carl E Reichardt/56	18	5	Houston TX	USC '56	banking
West Point-Pepperell	Joseph L Lanier Jr/56	31	13	Lanett AL	Washington & Lee '54	operations
Western Capital Inv	Junius F Baxter/64	38	20	Topeka KS	Missouri '46/Stanford, MBA '47	banking
Western S&L	Gary Driggs/53	26	12	Phoenix AZ	Brigham Young '59/Indiana St, PhD '62	banking
Westinghouse	John C Marous/62	39	‡	Pittsburgh PA	Pittsburgh '47/Pittsburgh, MS '49	technical
Westvaco	David L Luke III/64	36	25	Tyrone PA	Yale '48	finance
Wetterau	Ted C Wetterau/60	36	18	St Louis MO	Westminster '52	marketing
Weyerhaeuser	George H Weyerhaeuser/61	39	22	Seattle WA	Yale '49	operations
Whirlpool	David R Whitwam/46	20	1	Stanley WI	Wisconsin Milwaukee '67	marketing
Whitney Holding	Patrick A Delaney/55	34	11	NA		banking
Wickes Cos	Sanford C Sigoloff/57	6	6	St Louis MO	UCLA '51	operations
Willamette Inds	William Swindells Jr/57	35	6	Oakland CA	Stanford '53	operations
Williams Cos	Joseph H Williams/54	29	9	Tulsa OK	Yale '56	operations
Wilmington Trust	Bernard J Taylor II/62	9	9	Philadelphia PA	Pennsylvania '49	banking
Wilson Foods	Kenneth J Griggy/54	13	13	Suffield OH	Athenaeum of Ohio '56/Xavier, MEd '61	marketing
Winn-Dixie Stores	A Dano Davis/42	20	6	New Rochelle NY		retailing
Wisconsin Energy	Charles S McNeer/62	38	13	Gilbert WV	Northwestern '50	technical
Witco	William Wishnick/63	46	17	Brooklyn NY	Texas '49	administration
FW Woolworth	Harold E Sells/59	43	1	Ozark AR		retailing
Wm Wrigley Jr	William Wrigley/55	32	27	Chicago IL	Yale '54	marketing
Xerox	David T Kearns/57	17	6	Rochester NY	Rochester '52	sales
Yellow Freight Sys	George E Powell Jr/61	36	20	Kansas City MO		administration
Zayre	Maurice Segall/59	10	10	Canada	McGill '50/Columbia, MA '52	retailing
Zenith Electronics	Jerry K Pearlman/49	17	5	Des Moines IA	Princeton '60/Harvard, MBA '62	finance
Zions Bancorporation	Roy W Simmons/72	34	23	Portland OR		banking



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*Company founder. ‡New CEO, less than six months' service. [1] Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 25, 1988. [2] New CEO in 1988, salary data NA. [3] New CF[illegible] in 1987, salary data NA. [4] Figures are for year ended 11/31/87.

Compensation (000) salary + bonus	other	stock gains	total	% change salary + bonus	Rank among 800 execs	Stock owned %	mkt val (mil)	Company data[1] sales (mil)	profits (mil)	Company
NA[2]	—	—	—	NA	—	0.05%	$0.3	$1,071	$-44.4	**Valley National**
$1,075	—	$3,366	$4,441	49%	31	0.18	3.5	2,574	179.7	**VF**
NA[3]	—	—	—	NA	—	‡	§	1,011	−123.5	**Viacom**
543	$240	—	784	NA	381	4.10	7.9	3,276	−3.9	**Vons Cos**
651	21	263	936	20	293	0.20	3.2	923	116.2	**Vulcan Materials**
488[2]	29	5,569	6,085	NA	16	0.15	23.9	16,065	627.6	**Wal-Mart Stores**
588	342	—	931	10	296	0.67	13.6	4,436	109.1	**Walgreen**
393	7	—	400	−3	663	12.90	239.3	3,048	94.4	**Wang Labs**
3,125	70	—	3,195	12	48	0.66	26.5	3,404	295.3	**Warner Commun**
1,155	133	—	1,288	25	190	0.01	0.5	3,485	295.8	**Warner-Lambert**
402	177	—	579	38	521	0.21	0.5	549	42.3	**Washington Mutl**
684	492	—	1,176	22	212	11.25	324.1	1,315	186.7	**Washington Post**
211	11	—	222	9	767	0.02	0.1	399	68.1	**Washington Water**
1,300	87	—	1,387	18	158	0.78	63.2	2,758	327.1	**Waste Management**
375	16	—	391	6	672	33.17	460.9	1,128	76.0	**Weis Markets**
1,140	85	1,183	2,408	−5	69	0.15	4.3	4,572	50.8	**Wells Fargo**
775	—	—	775	18	385	0.36	3.2	1,762	76.6	**West Point-Pep**
419	—	—	419	3	650	0.77	1.0	373	0.3	**Western Capital**
373	67	1,588	2,028	−10	92	9.44	7.6	627	33.4	**Western S&L**
980	7	621	1,608	NA	132	‡	0.6	10,679	738.9	**Westinghouse**
723	44	—	767	6	389	0.55	9.9	1,964	159.3	**Westvaco**
650	29	—	679	7	440	3.33	16.9	3,942	37.4	**Wetterau**
925	6	—	931	23	295	1.18	61.9	8,824	446.6	**Weyerhaeuser**
465	—	—	465	NA	615	‡	0.1	4,179	181.1	**Whirlpool**
425	21	—	446	0	627	0.17	0.6	218	25.7	**Whitney Holding**
1,824	3	—	1,827	24	108	0.02	0.1	3,477	137.5	**Wickes Cos**
425	15	—	440	5	634	7.16	89.1	1,432	121.3	**Willamette Inds**
841	23	—	864	29	322	0.32	3.7	1,780	90.3	**Williams Cos**
568	—	110	678	12	442	0.25	1.3	285	43.4	**Wilmington Trust**
562	—	50	612	52	497	0.28	0.3	1,345	3.4	**Wilson Foods**
454	23	—	477	4	604	2.33	39.4	8,824	114.6	**Winn-Dixie**
385	6	—	391	10	671	0.04	0.7	1,365	169.5	**Wisconsin Energy**
550	—	—	550	−1	539	2.01	15.9	1,428	63.3	**Witco**
798[4]	599	423	1,820	NA	109	0.05	1.8	7,134	251.0	**FW Woolworth**
557	—	—	557	10	532	17.08	254.4	781	70.1	**Wm Wrigley Jr**
1,138	46	540	1,724	30	120	0.03	1.8	15,125	578.0	**Xerox**
645	3	—	648	−2	467	3.07	22.4	1,760	41.3	**Yellow Freight**
663[4]	—	212	875	NA	319	0.39	5.2	6,186	122.8	**Zayre**
435	19	—	454	−3	623	0.20	1.1	2,363	−19.1	**Zenith Elec**
250	4	393	648	9	468	8.93	13.8	284	−14.4	**Zions Bancorp**

‡Less than 0.01%. §Less than $100,000. NA: Not available.

The chief executives of the corporations on these pages worked a median 15 years at their companies before becoming top bosses.

British investors have cooled on the stocks of small U.S. companies that are listed on London's Unlisted Securities Market. But the mood could change.

Small isn't necessarily beautiful

By Richard C. Morais

RANDALL FIELDS, chairman of Mrs. Fields Inc., the cookie company based in Park City, Utah, found cheap capital abroad. In May 1986 Goldman, Sachs and London's J. Henry Schroder Wagg underwrote the sale of 20% of the shares on London's Unlisted Securities Market. The offering raised $64.3 million (at the prevailing exchange rate), pricing the company at $325 million—around 5 times 1985 sales and nearly 19 times projected 1986 earnings.

Unfortunately, many of the 17 small U.S. companies that have sold stock on London's USM since January 1984 have cooled British passions for others that might like to follow Mrs. Fields' lead. Look at the table below. Of the 17, one was bought out in a takeover and 2 transferred to the London Stock Exchange's Official List. Of the 14 companies remaining, only 2 are trading above their initial launch prices. In half the cases, U.K. investors have seen each pound of their initial investment shrivel to less than 45 pence. Ian Kennedy, manager of Govett Strategic Investment Trust, says of small U.S. companies trading in London: "I view them with profound distrust."

Mixed blessings

These small U.S. companies tapped London for capital. In most cases, the Brits were burned.

Company	Issue date	Price issue (pence)	Price recent (pence)
Petrogen Petroleum	May 16,1984	80p	10p
Optometrics (USA)	Dec 20,1984	55	15
Pacer Systems	June 28, 1985	170	125
InfraRed Assoc	Sept 20, 1985	94	36
Colorgen	Sept 30, 1985	90	29
Mrs Fields	May 27, 1986	140	93
Borland Intl	June 1, 1986	125	108
Quarto Group	Nov 11, 1986	115	138
Tribble Harris Li	Dec 5, 1986	112	60
Image Storage/Retrieval Sys[1]	Feb 23, 1987	120	30
Orchid Tech	Apr 9, 1987	530[2]	238
Cambridge Isotope Labs	Apr 24, 1987	55	65
URS Intl	Oct 5, 1987	87	51
American Plastic Tech	Oct 14, 1987	61	55

[1] Listed on USM without additional shares publicly offered. [2] Adjusted for split. *Sources: London Stock Exchange, Datastream International Ltd.*

This is a shame, considering the advantages for smaller companies of selling equity in London. For one, listing costs are low. Cambridge Isotope Laboratories, Inc. (revenues, $4.5 million), a profitable Woburn, Mass.-based chemical company that listed on the USM last year, paid $350,000 to go public in London. Of that, $100,000 went for U.K. underwriting fees (the balance going for lawyers, accountants and printers). In the U.S. underwriting fees would be closer to $250,000. Disclosure requirements are also less than in the U.S.

Why have most U.S. companies on the USM performed so poorly? Much of the trouble stems from the weak dollar. But equally important is the fact that the British equities market differs subtly but profoundly from ours. In London offerings, the pricing is based not on historical earnings but on projected earnings. And management had better not disappoint investors. "In the U.K. you have to hit your forecasts," counsels Peter Dodwell, chief financial officer at Cambridge Isotope Laboratories. "You can't come in half a cent lower."

Tribble Harris Li, an $18 million (revenues) Delaware-based architectural firm that raised money on the USM in December 1986, found that out. It met its earnings projection the first year but disappointed shareholders in 1987. The stock now trades at barely half its issue price.

Mrs. Fields' shares are down 34% from their offering price, despite year-on-year growth. Randy Fields attributes this to the fact that in 1987 the company set up reserves that were misunderstood by U.K. shareholders. "It's really our fault," says Fields. "We didn't communicate very well."

Roger Cursley, manager of Aetna Life's Smaller Companies Growth Unit Trust, thinks London still could be a good place for small U.S. companies to raise money, if they take the time to understand how business is done in London. U.S. firms, he says, should commit themselves to the U.K. investor with a steady flow of information. They should try to produce more earnings than they promise, and should make sure a good, independent analyst follows the firm.

Donald de Groot, director of corporate finance at Capel-Cure Myers and underwriter for three small U.S. issues, likes the fact that the U.S. stocks are now unpopular. "The risk/reward ratio is much better now," he says. "When things are bad, you have maximum opportunities." ■

dore Rousseau, Daubigny, Grandville, Granet, Monnier, Bonheur, Vernet, Gavarni, Gérôme and Puvis de Chavannes, among others—can be found in the $3,000-to-$10,000 range.

Two New York galleries with good representations from the academic tradition are Kashey's Shepherd Gallery, 21 East 84th Street, and Jill Newhouse Drawings & Watercolors, 12 East 86th Street (212-249-9216). In addition, Christie's New York will hold an auction on May 25 of 19th-century European paintings, drawings and watercolors. On the West Coast, try private dealer Sven Brüntjen, 711 Southdale Way, Woodside, Calif (415-368-3503).—**Peter D. Slatin**

Sotheby's Art Market Trends

Index sectors	March 1988	One month ago	One year ago	Two years ago	Five years ago	One month % change	One year % change	Two year % change	Five years % change	Five years average annual % change
Old Master paintings	373	373	329	303	212	nil	+13.4	+23.1	+75.9	+12.0
19th C. Euro. paintings	333	333	284	249	185	nil	+17.3	+33.7	+80.0	+12.5
Impressionist & Post-impressionist art	723	723	521	380	267	nil	+38.8	+90.3	+170.8	+22.0
Modern paintings (1900-1950)	757	757	544-	364	245	nil	+39.2	+108.0	+209.0	+25.3
Contemporary art (1945 onward)	609	609	551	497	342	nil	+10.5	+22.5	+78.1	+12.2
American paintings (1800–pre-WWII)	871	871	698	667	452	nil	+24.8	+30.6	+92.7	+14.0
Continental ceramics	407	407	320	284	266	nil	+27.2	+43.3	+53.0	+ 8.9
Chinese ceramics	581	581	526	486	440	nil	+10.5	+19.5	+32.0	+ 5.7
English silver	388	388	343	314	209	nil	+13.1	+23.6	+85.8	+13.2
Continental silver	220	220	201	181	139	nil	+ 9.5	+21.5	+58.3	+ 9.6
American furniture	469	469	451	333	239	nil	+ 4.0	+40.8	+96.2	+14.4
French & Continental furniture	324	324	299	273	239	nil	+ 8.4	+18.7	+35.6	+ 6.3
English furniture	657	657	523	419	282	nil	+25.6	+56.8	+133.0	+18.4
Aggregate index*	517	517	420	347	257	nil	+23.1	+49.7	+101.2	+15.0

Basis: 1975 = 100 ($).

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*Contemporary art was added to the Art Index in September 1987. The aggregate index excludes this category prior to that date.

Sotheby's Art Market Trends reflect subjective analyses and opinions of Sotheby's art experts, based on auction sales and other information deemed relevant. Nothing in Sotheby's Art Market Trends is intended as investment advice or as a prediction or guarantee of future performance or otherwise.

Monthly highlights

Celebrity-linked auctions dominated the international art auction world last month, notably a sale of rock 'n' roll memorabilia in London, the contents of Liberace's numerous homes auctioned in Los Angeles and the extensive collection of Andy Warhol in New York.

Warhol's art collection, over 10,000 diverse items, ranged from serious items to "collectible" cookie jars. An untitled 1967 blackboard painting by Cy Twombly achieved $990,000, and a drawing of Andy Warhol by David Hockney fetched $330,000. A set of two cookie jars and a salt-and-pepper shaker together fetched $23,100. The total reached $25.3 million, nearly double its estimate.

Interest in rock 'n' roll was such that a satellite link was set up between England and Japan to enable collectors assembled in one of Tokyo's leading department stores to bid directly. They acquired 19 lots, of which the top price was $6,800 paid for an original manuscript by Paul McCartney. The Liberace collection met expectations when it raised over $2 million, with all 2,365 lots selling.

As for Old Master paintings, a sale in Paris provided a rare glimpse of corporate buying; a subsidiary of a Milanese bank paid $508,000 (in line with expectations) for a recently discovered Veronese. In Milan a 9-foot-wide painting of the Last Supper attributed to Giovanni Agostino da Lodi sold to a local collector for $664,000, a price all the more significant given that the painting has been a listed national treasure since the beginning of the century and so couldn't leave the country. Had export been possible, the price could have gone even higher.

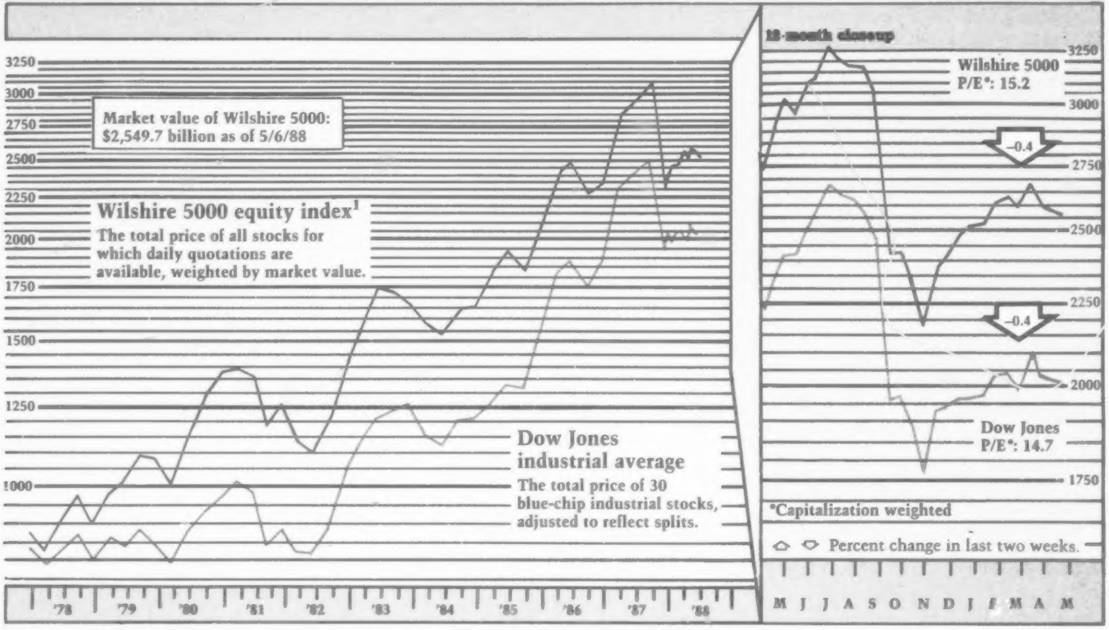
New York was also the site for English silver auctions. As is frequently the case, dealers acquired the leading pieces. A London dealer bought the top lot, a Charles II silver ewer, for $89,100, over double the estimate.

Sotheby's

Hockney's Warhol: $330,000.

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Big stocks and little stocks. The broad market, as measured by the Wilshire index, is up 6.7% since the start of the year. The blue-chip Dow, which has traded in a narrow range around the 2000 level since the crash, gained only 3.5% during the same stretch. There are only 30 Dow stocks, but they represent about 17% of the market's total capitalization.

How about the almost blue? The 1,419 Big Board issues make up 85% of the capitalization of the Wilshire index of more than 5,700 issues. These stocks are up 5.5% since the start of the year. But the balance of the Wilshire, mostly small companies representing about 15% of the weight in the index, is doing well. Since the start of the year, Amex issues are up 15.9%, while Nasdaq issues are up 14.8%. Secondary stocks have also moved back closer to their August 1987 peaks. From the market peak of Aug. 25, 1987, the Dow is off 26.3%, the NYSE 22.4%. But Nasdaq stocks have narrowed their losses to 16.6%.

Closeup On the Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	–3.5	–3.3	–4.0	–4.0	0.4	–0.6
in last 52 weeks	–11.7	–11.3	–13.6	–11.9	–9.6	–10.3

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	–4.1	1.1	1.5	–0.7	0.4	0.9	–0.8	0.3	3.2	–0.8	–2.4	0.6
in last 52 weeks	–6.3	17.2	14.5	2.7	–4.6	–1.7	–2.7	18.8	15.0	3.0	–2.0	14.4

[1] Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2] Based on sales. [3] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

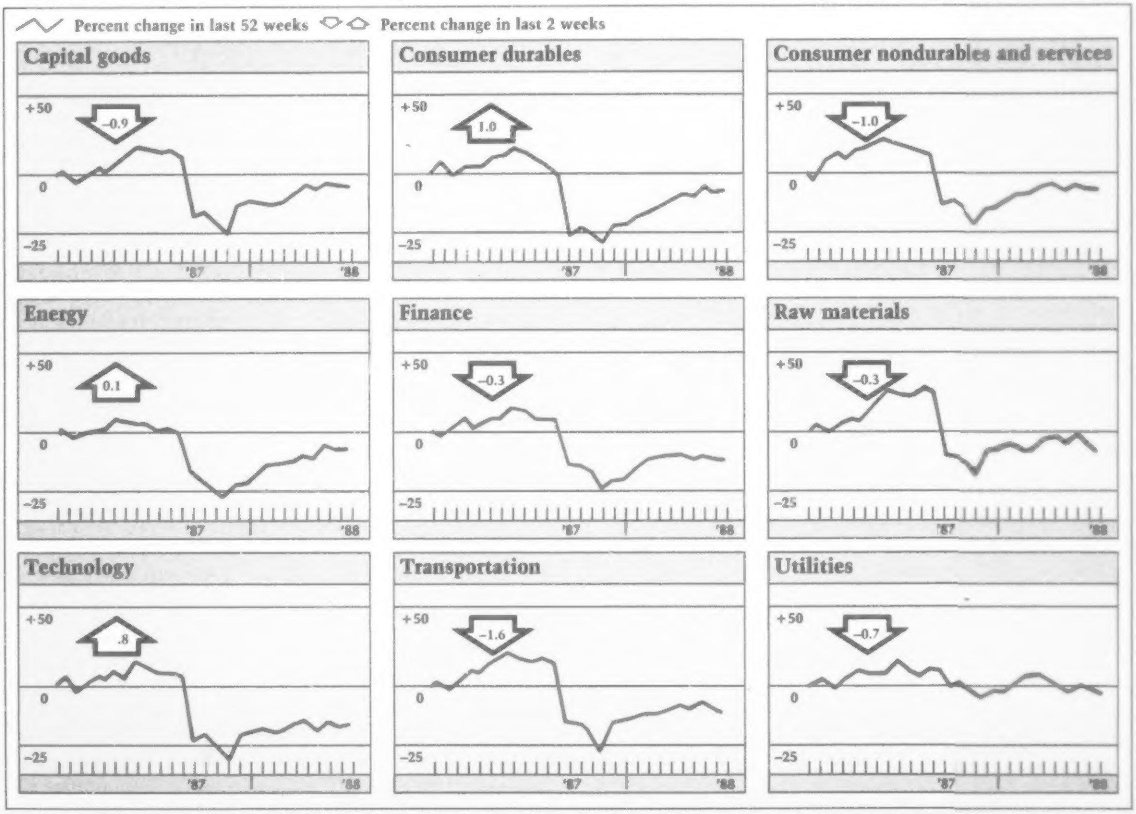
Note: All data for periods ending 5/6/88. Prepared by Wilshire Associates, Santa Monica, Calif.

Steven Ramos

Where the Action Is

Where's the volume? During the last two weeks the New York Stock Exchange averaged a slow 146 million shares a day, and a lot of that was in dividend-stripping plays. Central & South West saw 19 million shares go across the ticker as it was about to go ex-dividend.

Most of the excitement was in takeovers, both real and rumored. Trucker Arkansas Best was up 62% and electronics firm Gould was up 29% over the past two weeks. On the downside, EMC, a computer board manufacturer, fell 40% on disappointing first-quarter earnings. Market favorite Marion Laboratories finally came down closer to earth—only 8.2 times book. Marion dropped 13.2% on word Bolar had come up with a clone of its superdrug Cardizem, which accounts for 58% of Marion revenues.



What the Analysts Think

Image problems. Worried security analysts keep downgrading 1988 earnings estimates for the finance sector. This group includes Wall Street firms, big banks and insurance companies. The stocks are now trading at 7.6 times estimated 1988 earnings. Yet a number of these stocks have reported strong first-quarter earnings.

Forecasting the Forbes Sales 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.63	14.0
1988 estimates	3.52	10.5
1989 estimates	3.89	9.6

Rank based on change in estimate	Sector	Estimated 1988 EPS	Estimated 1988 P/E	% change in 1988 estimate in 2 weeks	% change in 1988 estimate in 4 weeks
1	Raw materials	$2.90	10.6	1.08%	2.47%
2	Energy	2.85	13.8	1.02	1.09
3	Consumer durables	4.16	13.0	0.66	4.13
4	Capital goods	2.56	14.6	0.54	1.13
5	Technology	2.86	11.7	0.51	0.10
6	Transportation	2.45	10.9	0.03	0.66
7	Consumer nondurables	2.54	12.6	-0.05	-0.14
8	Utilities	2.42	9.4	-0.18	-0.53
9	Finance	3.46	7.6	-0.53	-1.31

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continually by the Institutional Broker Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 5/6/88. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

The Forbes/TUCS Institutional Portfolio Report

Edited by Steve Kichen

PENSION FUNDS ARE selling securities and moving into cash. They have allocated 10.8% of their portfolios to cash, the highest level in over two years. This makes Jim Awad, president of BMI Capital, quite happy. "The fact that the institutions have so much cash is very bullish for stocks. The money has to go somewhere." Thus, bullish Awad has only 5% of his portfolio in loose cash. Cash hoards are but one sign of the sobering effect of the October crash on institutional investors. It has also made them more yield conscious. Their typical portfolios yield 3.5% versus 3% for the Wilshire index of 5,700 securities. And they are staying with less volatile stocks; their typical portfolio trades at 14.2 times trailing 12-month earnings, which is less than the Wilshire multiple of 15.8.

The "segment performance and cash flows" table also indicates the shift to caution in institutional philosophy. The convertible bond segment is gaining popularity at the expense of straight equities. Thanks in good part to heavy institutional buying, convertibles were the best investment for the quarter with a median total return of 8.6%, followed by equities with a 7.9% return.

Managers who focused on emerging growth stocks posted the best performance last quarter. But the gain in these stocks could be more a rebound from the tremendous losses they took in October than a fundamental shift in market direction.

What were the institutions doing last quarter? Dumping old favorites like Digital Equipment at the first sign of weakness. Digital reported flat earnings and saw its stock drop 22.6% in the quarter. Indeed, this and other moves shown in the "position changes" table at the lower right are strong circumstantial evidence of window-dressing. Money managers tend to load portfolios with hot stocks at the end of a quarter, so they will show up on reports to clients. If the manager got in after the big move, of course, this does no good for the client. The institutions also unloaded such former darlings as Motorola, General Re and Kodak, which look bad now. They stocked up on Ford, which would have been a smart stock to buy a while ago. Big movers Federated Department Stores and Texaco were also popular in quarter-end reports.

Data courtesy of the Trust Universe Comparison Service, sponsored by Santa Monica-based Wilshire Associates. TUCS monitors results on more than $360 billion in pension fund assets.

How different managers performed

Manager style	Total return[3] recent quarter	12 months	24 months[4]
Diversified	7.2%	–14.7%	–9.7%
Growth	5.0	–17.8	–12.1
Growth—emerging	12.1	–13.6	–7.5
Market timer	5.7	–14.3	–8.9
Sector rotator	7.4	–13.5	–8.5
Value	9.1	–14.5	–9.6

Where the institutions put their money

Segment	—Portfolio weighting— most recent quarter	previous quarter
Equity	57.2%	56.7%
Fixed income	30.9	31.7
Cash and equivalents	10.8	10.4
Convertibles	0.7	0.8
Other[1]	0.4	0.4

Equity portfolio characteristics

	Institutional portfolios	Wilshire 5000
Price/earnings ratio	14.2	15.8
Dividend yield	3.5%	3.0%
Beta[2]	1.06	1.07
Price/sales	1.10	1.07
Price/book	2.77	2.53

Segment performance and cash flows

Segment	—Most recent quarter— median total return	shift in institutional holdings	—Latest 12 months— median total return	shift in institutional holdings
Equity	7.9%	–3.0%	–8.1%	–3.6%
Fixed income	3.7	–1.6	4.6	–8.2
Cash equiv	1.7	7.6	7.1	26.7
Convertibles	8.6	6.6	–4.4	6.3
Other[1]	1.8	–0.5	5.6	–5.1
Total	5.8	–1.4	–0.4	–4.8

Position changes: These securities had the greatest relative change in holdings over the last quarter

Security	Increase in holdings	Total quarter return	Security	Decrease in holdings	Total quarter return
May Dept Stores	4.2%	20.7%	Digital Equip	–4.7%	–22.6%
Ford Motor	3.1	15.1	Eastman Kodak	–3.5	–15.9
General Motors	3.1	18.6	Texas Instrs	–2.6	–16.1
BellSouth	2.9	8.1	Cray Research	–2.5	12.5
IBM	2.3	–5.9	Alcan Aluminium	–2.4	2.6
Federated Dpt Strs	2.3	124.1	General Re	–2.2	–13.8
AT&T	2.1	1.1	Alcoa	–2.1	–6.2
Exxon	2.1	11.6	Motorola	–2.1	–11.8
Texaco	1.7	28.9	TeleCommun	–2.0	12.2
General Elec	1.6	–7.8	Waste Mgmt	–1.9	–7.1

[1] Real estate, foreign investments, venture capital, guaranteed insurance contracts. [2] A measure of risk. A stock with a beta of 1.00 tends to move up or down at the same rate as the S&P 500. [3] Includes all forms of investments. [4] Figures for 24 months are annualized.

Note: Data for quarter ending 3/31/88. Prepared by the Trust Universe Comparison Service (TUCS®), a service of Wilshire Associates, Santa Monica, Calif.

Where the institutions are—and aren't

Most overweighted relative to Wilshire 5000			Most underweighted relative to Wilshire 5000		
	% of—			% of—	
Security	institutional universe	Wilshire 5000	Security	institutional universe	Wilshire 5000
May Dept Stores	0.7%	0.3%	**IBM**	2.3%	4.3%
Philip Morris	1.3	1.0	**Exxon**	1.2	3.0
Federated Dept Stores	0.5	0.2	**Matsushita Elec ADR**	0.2	1.3
Caterpillar	0.4	0.2	**Hitachi Ltd ADR**	0.1	1.1
Apple Computer	0.4	0.2	**British Petrol ADS**	0.1	1.2
Intel	0.3	0.1	**General Electric**	1.5	2.3
Halliburton	0.3	0.2	**AT&T**	0.8	1.6
Computer Assocs	0.2	0.0*	**Royal Dutch Petrol**	0.8	1.5
K mart	0.5	0.3	**Glaxo Holdings ADR**	0.0†	0.7
Deere & Co	0.2	0.1	**B.A.T Inds ADR**	0.0‡	0.6

The institutions often favor concepts over quality. Once the battle started over Federated Department Stores, the institutions began buying other retailers. For example, last quarter the institutions increased their holdings in May Department Stores by 4.2%, buying pressure that contributed to the stock's 20.7% total return. May's weight in the institutional portfolio is now more than double its relative weight in the overall market. Meanwhile, the institutions are underweighting blue chips like Exxon, General Electric and some big Japanese firms.

Sector activity and top holdings

% of institutional portfolio: ■ most recent quarter ■ previous quarter

Capital goods	6.2% 5.3%	Consumer durables	4.3% 4.1%	Consumer nondurables	28.9% 27.9%
	total return		total return		total return
General Electric	−7.8%	General Motors	18.6%	Philip Morris	6.0%
Caterpillar	0.9	Ford Motor	15.1	Merck	−0.4
Emerson Electric	−11.6	Chrysler	7.3	May Dept Stores	20.7
Westinghouse Electric	4.9	Goodyear Tire & Rubber	6.8	Johnson & Johnson	6.6
Deere & Co	33.1	Matsushita Elec ADR	27.8	Coca-Cola	3.0

Energy	8.8% 7.4%	Finance	11.7% 14.3%	Raw materials	15.2% 14.6%
	total return		total return		total return
Exxon	11.5%	American Express	7.4%	Dow Chemical	−8.8%
Amoco	7.6	Am Intl Group	−10.5	El du Pont de Nemours	−6.5
Mobil	14.6	JP Morgan	−7.2	Waste Management	−7.1
Royal Dutch Petrol	6.4	Citicorp	4.5	Alcoa	−6.2
Atlantic Richfield	23.3	General Re	−13.8	Monsanto	−2.1

Technology	15.1% 15.7%	Transportation	4.1% 3.9%	Utilities	5.7% 6.8%
	total return		total return		total return
IBM	−5.9%	Union Pacific	19.1%	AT&T	1.1%
Digital Equip	−22.6	Norfolk Southern	4.9	BellSouth	8.1
Hewlett-Packard	4.4	CSX	4.9	Pacific Telesis	7.5
Boeing	26.6	AMR	22.7	GTE	2.4
Motorola	−11.8	Burlington Northern	9.4	Nynex	1.8

*Exact figure is 0.04%. †Exact figure is 0.02%. ‡Exact figure is 0.03%.

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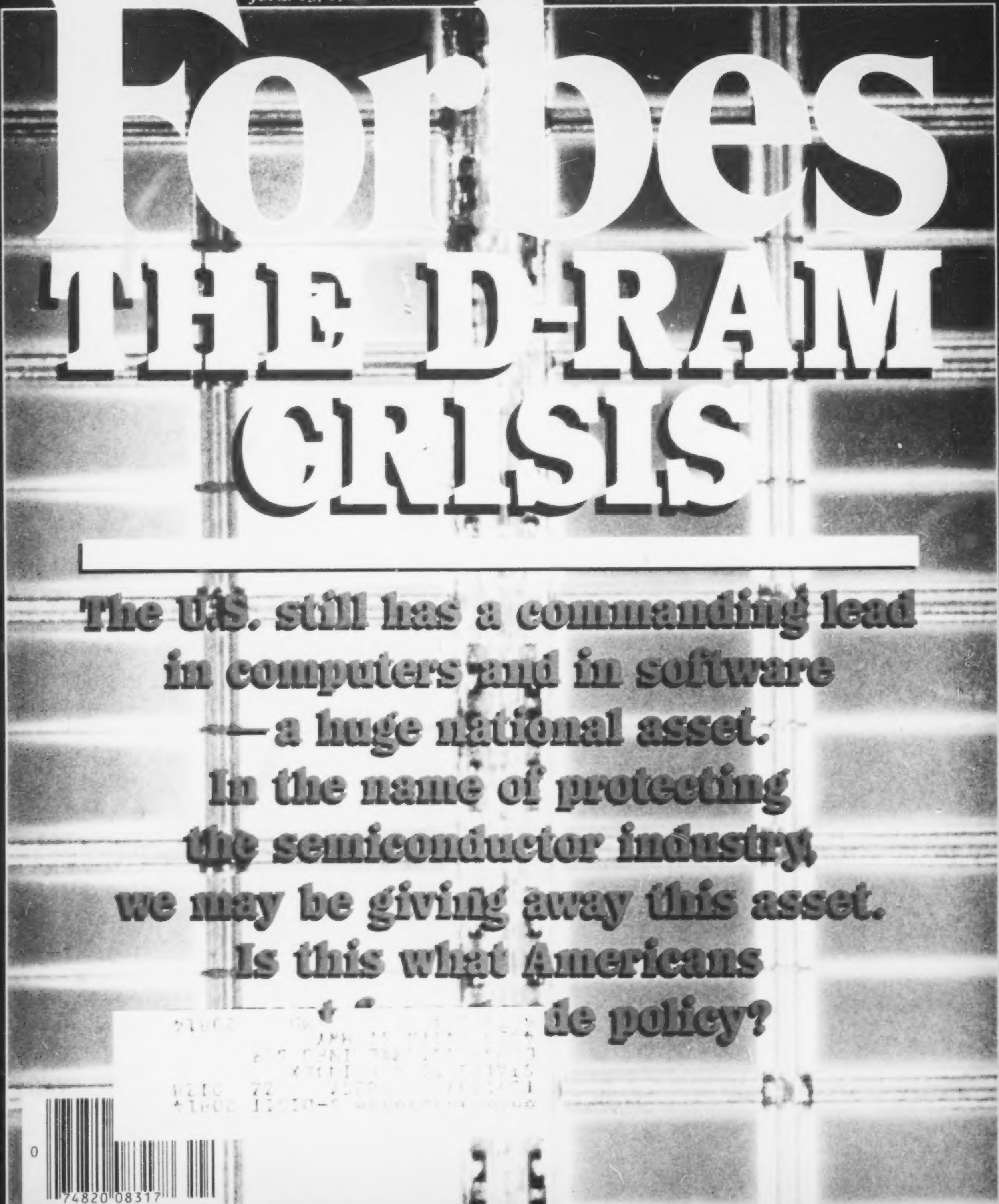
THE TROUBLE AT UNOCAL—DOES FRED HARTLEY STILL KNOW BEST?

THE AMAZING CAREER OF HARRY SCHREIBER—LIVING IT UP ON OTHER PEOPLE'S MONEY

JUNE 13, 1988

THREE DOLLARS SEVENTY-FIVE CENTS

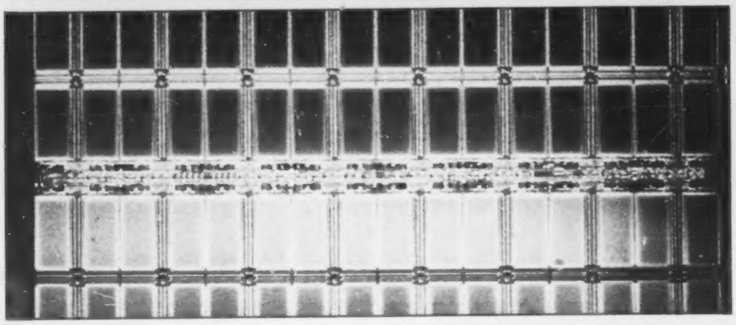
Forbes



THE D-RAM CRISIS

The U.S. still has a commanding lead
in computers and in software
—a huge national asset.
In the name of protecting
the semiconductor industry,
we may be giving away this asset.
Is this what Americans
[illegible] de policy?

Forbes



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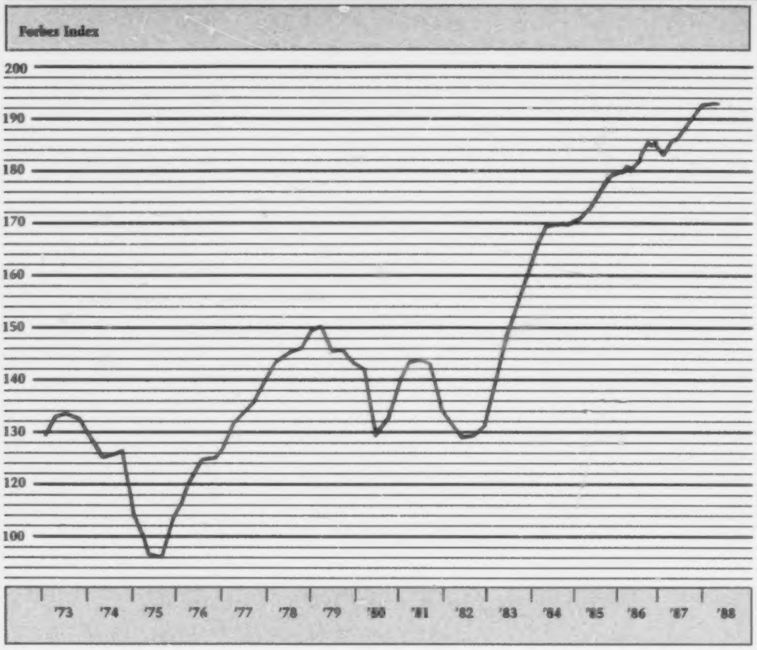
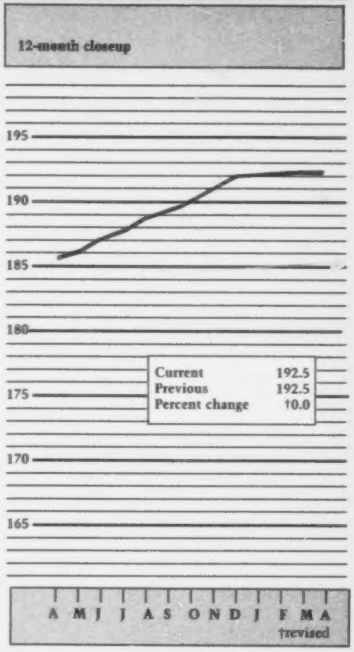
The Forbes Index





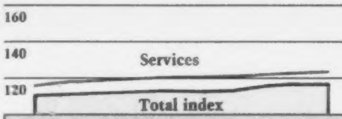
Inflation fears. Consumer prices rose 0.5% in April, to 117.1% of their 1982-84 average. So far this year prices have risen at a 4.5% annual rate, but if the pace of the past two months continues, there is a possibility the inflation rate for 1988 will be around 6%. This was enough to make Wall Street jittery *(see p. 131).* The yield on 30-year Treasurys rose to 9.3%, from an 8.3% low earlier this year.

The economy, however, continues to show uncommon resilience. New unemployment claims fell again in April, to their lowest level since November. Retail sales rose 0.7% from March to April, the sixth straight monthly increase. While first-quarter housing starts were at their lowest level since 1982, April's 15% rise represents a near doubling since December. The Forbes Index was unchanged.

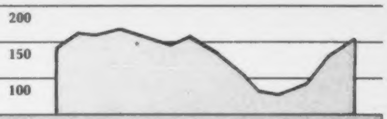
The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

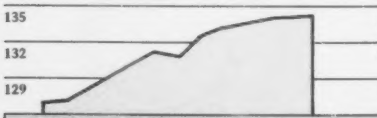
To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



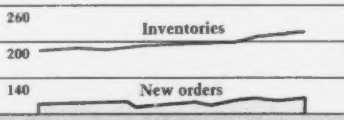
Consumer price indexes (1982-1984 average = 100) all urban consumers, unadjusted (Dept. of Labor)



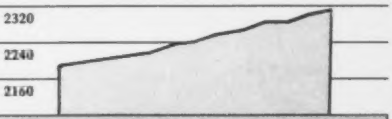
New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)



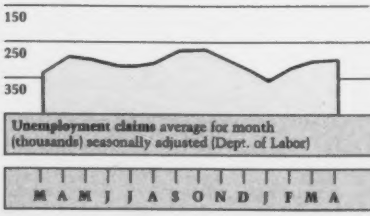
Industrial production index (1967 = 100) seasonally adjusted (Federal Reserve)



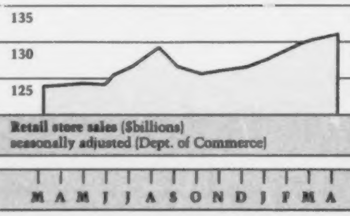
Manufacturers' new orders and inventories ($billions) seasonally (Dept. of Commerce)



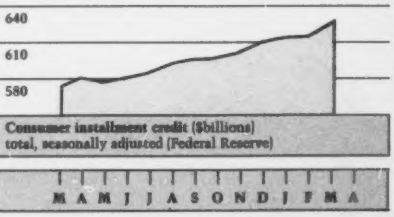
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)



Retail store sales ($billions) seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

In protecting the U.S. semiconductor industry, Washington has dealt a setback to something far more vital to American interests: the imposing U.S. lead in computers and computer software.

How the computer companies lost their memories

By George Gilder

THERE IS A STRONG RUMOR circulating in the computer world that Apple Computer's John Sculley and Sun Microsystems' Scott McNealy may lead several other U.S. computer makers into manufacturing memory microchips. Why does this matter? Because companies like Apple and Sun are brilliant at creating computer systems that use microchips. Making memory chips is a diversion of their talents, a violation of the kind of specialization and focus that have made them spearheads of innovation in the industry. Yet Sculley carefully does not deny the rumor.

No, Apple and Sun have not lost their way. If they go into the memory chip business it will be because making the chips is the only way they can get enough of what they need. There is, right now, a severe shortage of memory chips, brought on at least in part by well-intentioned but misguided trade policy from Washington. Thanks to the shortage, the fastest-growing U.S. computer firms—firms like Sun, Apple and Compaq, to name but a few—are cutting back and shrinking their product lines. As a result, for the first time ever, the Japanese now threaten a major entry into U.S. computer markets.

Semiconductor makers were jubilant when the U.S. and Japan first agreed to a deal in July of 1986 to bring order to the semiconductor markets. But many people in the computer trade objected furiously to the agreement. People like William Gates of Microsoft Corp. complained that higher chip prices would penalize U.S. companies that designed products around the chips. Gates was right, but the problems are worse than predicted. Demonstrating once more the folly of economic engineering, of Caesar failing to render unto Adam what is rightfully Smith's.

The semiconductor in such short supply is a key memory chip called a D-RAM, for dynamic random access memory. D-RAMs are the immediate data storage device found in every computer.

D-RAMs are as vital to computer manufacturers (and to all who depend on computer manufacturers) as steel is to automobile makers or crude oil is to petrochemical producers. You would think that U.S. policy would encourage flat-out production and low prices of an input so vital to our economic future. In fact, however, U.S. policy is heavily to blame for restricting the global supply of D-RAMs.

D-RAMs have dropped in price per bit of information storage (one-eighth of a byte) by more than 99% in the last decade. But the cost of these chips to computer firms is now going up rather than down, at least in the U.S. The price of a memory upgrade from 512K to one megabyte of memory (about enough to store the contents of a large book) has quadrupled since

IBM and Japan's big computer companies now dominate world production of 1-megabit D-RAM memory chips, sending smaller companies scrambling.

Charts by Andy Christie

January, to as much as $350. For the first time in recent history, computer prices in many markets are actually rising rather than continuing down the learning curve as chip functions become denser and cheaper. On May 18, for example, Sun Microsystems added a surcharge of around $250 to the price of add-on memory for its popular workstations.

This setback in cost and supply could hardly come at a worse juncture—when the U.S. may well be widening its lead in the worldwide computer business. Just-in-time manufacturing programs have been widely embraced by the U.S. computer industry. This has enhanced the quality and productivity of U.S. electronics fabrication.

Because of the D-RAM shortage, however, just-in-time manufacturing is now giving way to just-in-case double- and triple-ordering. There is an increasing amount of amnesia systems production—systems without memories.

Worst of all, in an industry where product life cycles are short and the spoils go to the quickest, a number of exciting American computer products have been delayed by the D-RAM shortage.

Item: Apple Computer will not be releasing its long-awaited Macintosh SE upgrade this year. Nor will there be a Macintosh laptop from Apple. And the Macintosh 2's much-touted HyperCard personal database program, its MultiFinder multitasking and its high-resolution color graphics—all dazzling breakthroughs—will be breakthroughs primarily in theory: The Mac 2 has only 1 megabyte of memory, far too little to accommodate more than one of its featured applications.

Item: The advanced functions of Sun Microsystems' new Sun 386i workstation, which, with adequate memory, can simultaneously blaze through both IBM-standard and AT&T Unix-standard programs, will depend on D-RAM availability. And the backlog for the fully equipped Sun 3/60 workstation is four to five months.

Item: Hewlett-Packard's Vectra 386 desktop computer was expected to be unveiled at last month's Comdex show in Atlanta. But it was nowhere to be seen.

Item: Compaq Computer has thrived in the past by beating IBM to the punch with new-generation machines. But a Compaq laptop is conspicuous by its absence.

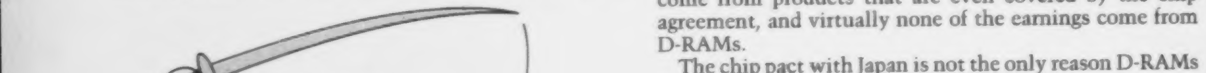
Only mighty IBM emerges unscathed—in fact, stronger—from the D-RAM shortage. Why? Because IBM itself is the world's leading D-RAM producer. Its captive (that is, in-house) D-RAM production was worth over $600 million to $800 million last year; its estimated output of D-RAMs is double Toshiba's. But this does the rest of the U.S. computer industry little good because IBM has a rigid policy of not selling its chips on the open market.

There is no memory chip crunch at the huge Japanese computer firms. There, the cost per bit of memory is still going down. Like IBM, Japan's NEC, Toshiba, Hitachi and Fujitsu make their own D-RAMs and put them in their own products. Unlike IBM, the Japanese companies sell their excess chips to other companies, in Japan and abroad, in competition with U.S. merchant chip companies such as Texas Instruments and Motorola.

How did we arrive at this pass?

Through 1986, D-RAMs were in oversupply. Japanese chipmakers were drowning in chips and dumping them in the U.S. This, naturally, made U.S. merchant chip producers very unhappy. So they went to Washington. Washington listened. A strange alliance developed between U.S. and Japanese bureaucrats. In July 1986, after years of U.S. threats and suits, the Japanese Ministry of International Trade & Industry was hectored into agreeing to a new trade pact with the U.S. At first blush, the agreement is working. By Value Line's reckoning, the major U.S. semiconductor firms rebounded from their 1985-86 slump to earn $633 million, combined, last year. This year Value Line projects the group will earn $1.5 billion, and by the early Nineties over $2.4 billion. Dig deeper, however, and it is apparent that only a small portion of these earnings come from products that are even covered by the chip agreement, and virtually none of the earnings come from D-RAMs.

The chip pact with Japan is not the only reason D-RAMs



are now in short supply. Other factors include an earthquake at a Hitachi factory, low manufacturing yields everywhere in fabricating this fiendishly exacting device and a poorly timed decision by AT&T to withdraw from the D-RAM business just as demand exploded in mid-1987.

But the 1986 chip agreement changed these typical snafus into a systemic crisis. MITI took control over Japanese supplies to prevent Japanese chips from leaking out to gray markets elsewhere in Asia and eventually finding their way to the U.S.

William McClean, the widely respected editor of the semiconductor industry's statistical bible *Status 1988*, notes that early last year there were clear signs that the computer industry was emerging from its 1985-86 slump. Normally, says McClean, the Japanese chipmakers would have expanded production to meet demand. But instead, between August 1986 and August 1987, while demand rose some 30%, MITI administered a 32% reduction in the output of the 256K D-RAM, the then dominant memory chip. Japanese firms cut back investment and shifted efforts from current-generation chips to the next generation. Says McClean: "Not until last November did MITI finally remove its production controls."

Say this for the trade agreement: It worked wonders for the Japanese semiconductor industry. During the mid-1980s the Japanese chipmakers lost some $4 billion as they overexpanded production and dumped the excess in the U.S. But today, as a result of MITI-ordered cutbacks and higher D-RAM prices, Japanese manufacturers are making huge margins on the product and funding big R&D programs designed to close the U.S. lead in state-of-the-art microchips and design tools (FORBES, *Apr. 4*). Just as "voluntary restraints" helped Japan's carmakers by increasing margins and pushing them upmarket, so the chip agreement has made Japan's chipmakers much more formidable long-term competitors.

But the greatest irony here is that the U.S. bailed out Japan's semiconductor industry at precisely the time when Japan's own information sector industrial policies are in disarray. The U.S. has actually been gaining share in the most critical areas of computer, software and telecommunications technology.

Although the Japanese have been targeting information equipment for two decades in all their industrial policies, they have entirely failed to repeat in this domain their earlier successes in shipbuilding, steel, autos and consumer electronics. While the U.S. was losing out in many other industrial products, it was gaining ground in computer software while the Japanese were slipping further behind. This was no mean feat at a time when value-added information technology had shifted rapidly toward software. Moreover, in a new OECD study, economist Lydia Arossa estimates that since 1985 the U.S.' software production has been growing significantly faster than Japan's software production, and now is five times greater than Japan's *(see chart, p. 84)*.

Okay, we're still ahead in software. But in hardware and in semiconductors, surely the Japanese are killing us, aren't they?

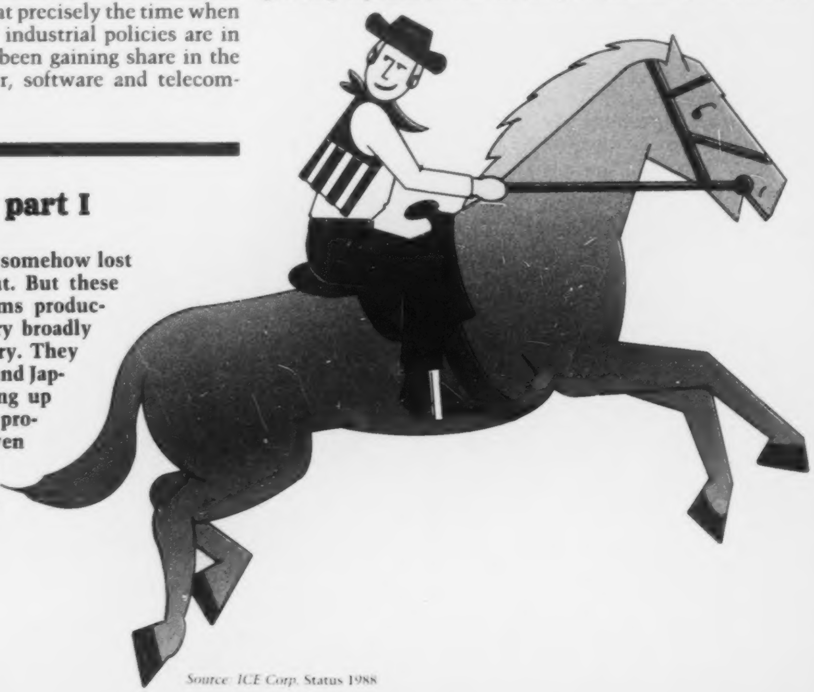
Wrong again. The U.S. global lead in hardware is shrinking slightly, but nevertheless remains impressively large. The chart on the opposite page shows that in 1987 total electronic systems production by U.S. firms was some $143 billion, some two-thirds larger than Japan's. The figures are not firm, but indications are that the U.S. global share in hardware technologies has not fallen significantly since 1982. Considering the ferocious competition, this is a considerable accomplishment.

Even in microchips, perhaps the chief target of Japanese industrial policy, the U.S. has more than held its own. Although the media cite alarming market share estimates, such as a 90% Japanese share of the new generation of D-RAM production, these estimates leave out IBM, by far the world's largest producer of the chips.

What about Intel, a driving force behind the U.S.-Japan chip deal? On the way to a year of 51% growth and barging past the $2 billion barrier in sales, Intel is by far the fastest-growing big firm in the industry. Meanwhile, the 99 U.S.

Myth versus reality, part I

It is often felt that the U.S. has somehow lost its lead in computer equipment. But these lines charting electronic systems production—computer equipment, very broadly defined—present a different story. They show that while the Europeans and Japanese have been slowly catching up during the past two years, U.S. producers still enjoy a large lead, even without adjusting for the effects of the weak dollar. This is cause neither for complacency nor for hand-wringing.



Source: ICE Corp. Status 1988

semiconductor startups launched over the last five years—from Cypress to Actel—constitute the fastest-growing new generation of merchant semiconductor firms in the history of the industry. So much for the U.S. chip industry's needing protection.

Does the U.S. need an industrial policy promoting fewer but larger computer companies capable of taking on the Japanese behemoths? The record to date suggests not. In recent years, innovative U.S. firms have launched and ramped up several entire new product lines—each worth a billion dollars or more in sales.

In engineering workstations, there are Sun and Apollo. In IBM personal computer clones, Tandy, Dell and others. In high-end personal computers, Apple, Compaq and Zenith. In small supercomputers, Convex, Alliant, NCUBE and many new contenders.

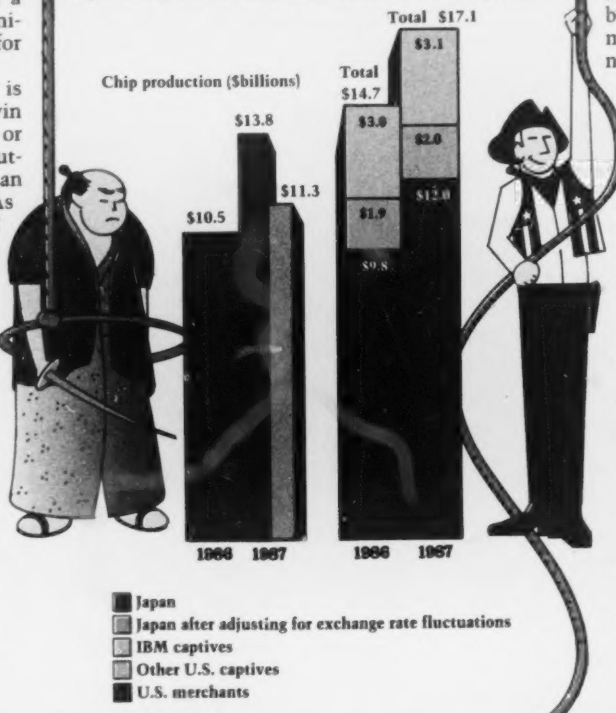
And more. In parallel and fault-tolerant systems, Tandem, Stratus and Sequent are the industry leaders. In the face of high skepticism and many misgivings, venture capitalists have funded scores of hard disk drive and disk media firms; this has given the U.S. 80% of the market for hard disk systems.

Unfortunately, the D-RAM crisis now means that most of the smaller American computer companies that have been rapidly winning market share against both Japan and IBM must pay between two and three times as much for their D-RAMs as IBM and the Japanese do. And D-RAMs are no trivial item in a computer's production cost structure. These memory chips represent some 5% of the production cost of a mainframe, 20% for a minicomputer, and up to 50% for a low-end IBM PC clone.

Access to D-RAMs is helping the Japanese win market share in laptops, or portable personal computers. Laptops constitute an increasingly vital arena. As a growing share of the PC market moves toward portables, Japanese strength in this product line may eventually lead to overall dominance in personal computers, roughly analogous to the way they built upon their early successes in cheap, dependable small cars. At present, according to Dataquest figures, the Japanese hold only 7% or 8% of the total personal computer market in the U.S.—but they hold 35% of the laptop business. Include laptop machines manufactured in Japan but sold under Zenith and other U.S. nameplates, and the Japanese actually have 80% of the U.S. laptop market.

Myth versus reality, part II

Contrary to popular impression, the U.S. semiconductor industry—including IBM and other companies with captive chip production—still outproduces Japan's chipmakers. The trend is especially clear when Japanese production is adjusted for the strong yen.



Source: ICE Corp., Status 1988

Of the American laptop makers, only IBM is a D-RAM manufacturer; all the rest are struggling under the handicap of expensive D-RAMs. IBM, the one U.S. company unaffected by the D-RAM shortage, made exactly the right decisions. Over a three-year period beginning in 1985, while the semiconductor industry collapsed and rival AT&T fled the D-RAM business, IBM boldly invested an estimated $1.5 billion in new memory chip production, designs and facilities. For the first time since 1982, IBM is now in a position to make important advances against its rivals. Derived from its strength in D-RAMs, IBM's edge will last for several years.

Under way in information technology is the emergence of literally scores of new products with memory needs ten times or more greater than previous technologies. IBM's new OS/2 operating system with "Presentation Manager," for example, bids to become the new standard for the industry. But to exploit fully its benefits requires at least 5 megabytes of memory. That's nearly 20 times as much memory as the previous generations of PCs typically needed for their relatively primitive functions.

Less well understood is that all the new imaging and graphics technologies that impel such booming markets as desktop publishing will require still more mountains of memory. At 3 megabytes, the new generation of laser printers, for example, uses 12 times as many D-RAMs as the last generation of entire desktop computer systems. Fax machines use 2 megabytes. Also requiring great memory capacity are all the new local area networks, text scanners, bar code readers and other devices that treat the screen as a map of bits rather than as a set of characters and codes. Beyond these currently available products come such new technologies as artificial intelligence, voice recognition, digital television, digital automobile mapping, diagnostic equipment and high-definition television (FORBES, *May 30*). To get any of these breakthroughs into production will require truly prodigious numbers of memory chips.

Where will the chips come from? Will they be there when needed? Three hopes for the U.S. computer industry will be Micron Technology in Boise, Idaho (FORBES, *Mar. 14, 1983* and *Dec. 31, 1984*); Texas Instruments (which produces its D-RAMs mostly in Japan); and Korea's Samsung Semiconductor (FORBES, *May 16*). Able now to produce 1-megabit chips, Samsung is now in the process of building some 350,000 square feet of new clean rooms—equivalent to some four major new chip fabrication facilities—all devoted to producing D-RAMs.

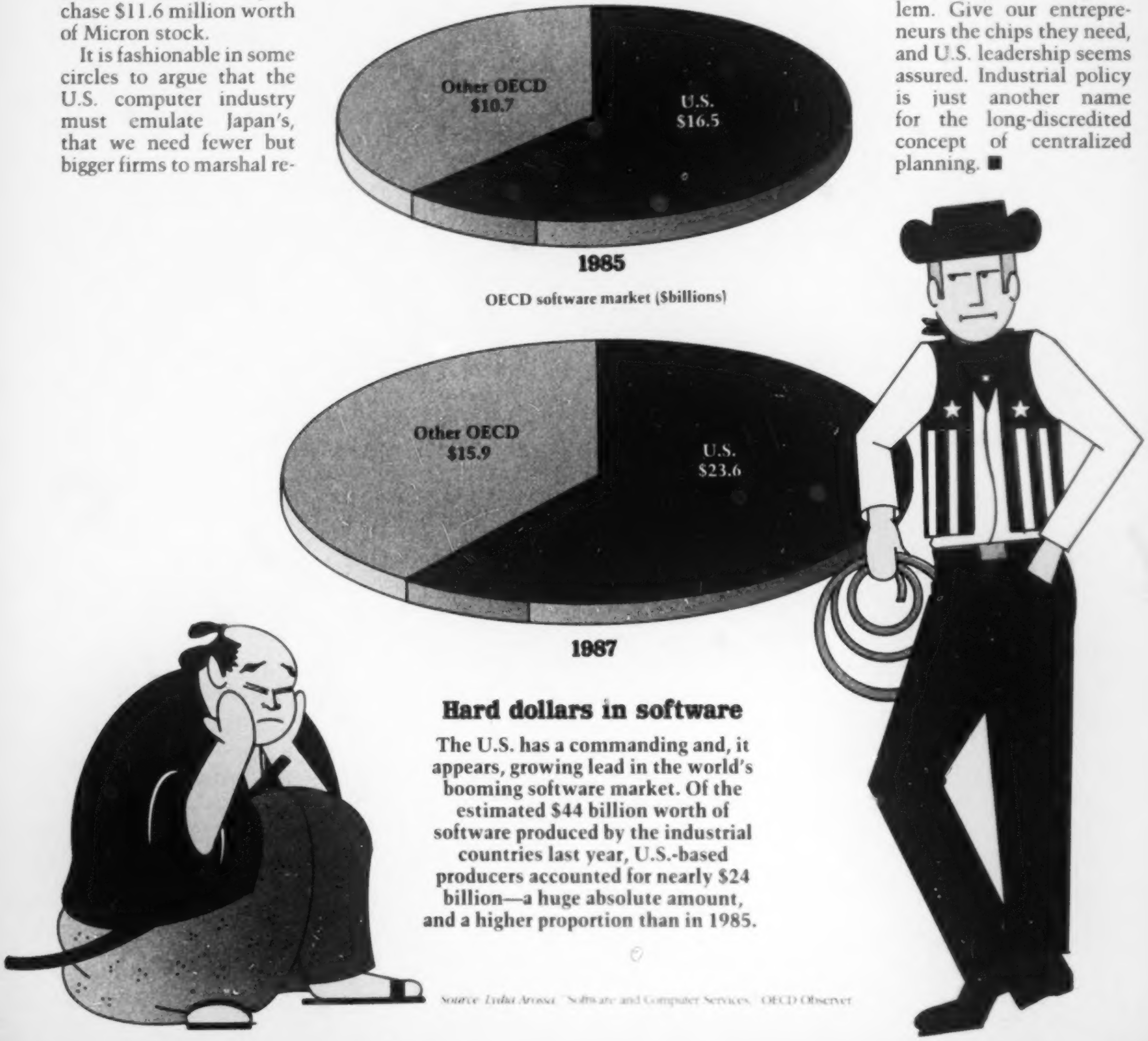
Micron Technology (1987 sales, $91 million) seems especially promising. A key determinant of costs in D-RAM production is the size of an individual chip, which sets the number of possible devices on each silicon wafer. Since entering the market in 1982, Micron has had the smallest chip in each D-RAM generation. Micron has just launched a "shrink" of its megabit chip down to the size of many competitive 256K devices.

Moreover, it is now rapidly preparing a 1-megabit production process with 40% fewer layers than the competition. If these innovations succeed, Micron may have by far the lowest costs in the industry. Intel, the virtual inventor of the D-RAM, recently agreed to sell Micron chips under the Intel label and obtained warrants to purchase $11.6 million worth of Micron stock.

It is fashionable in some circles to argue that the U.S. computer industry must emulate Japan's, that we need fewer but bigger firms to marshal resources and attack industrial targets from a long-term point of view. Michael Dukakis' Harvard economists are making noises about the need for greater federal intervention to protect U.S. trade and development. Ignored by advocates of industrial policies is the fact that while Japan's industrial policies pushed its fifth-generation computer project, thousands of entrepreneurial U.S. firms left the Japanese in their dust, transforming the world information economy. Meanwhile, a multibillion-dollar government-subsidized D-RAM effort by Europe's Siemens and Philips has yet to produce any significant volume.

While Japanese and European industrial policies founder, U.S. entrepreneurs using new design technologies are generating new computer products at an unprecedented and entirely unexpected pace. We do not need more politicians and bureaucrats urging industrial policy harassment of Japan and Korea and protection of U.S. chipmakers.

Though few congressmen and trade bureaucrats understand the fact, Japanese and Koreans will be part of the memory shortage solution, not part of the problem. Give our entrepreneurs the chips they need, and U.S. leadership seems assured. Industrial policy is just another name for the long-discredited concept of centralized planning. ■



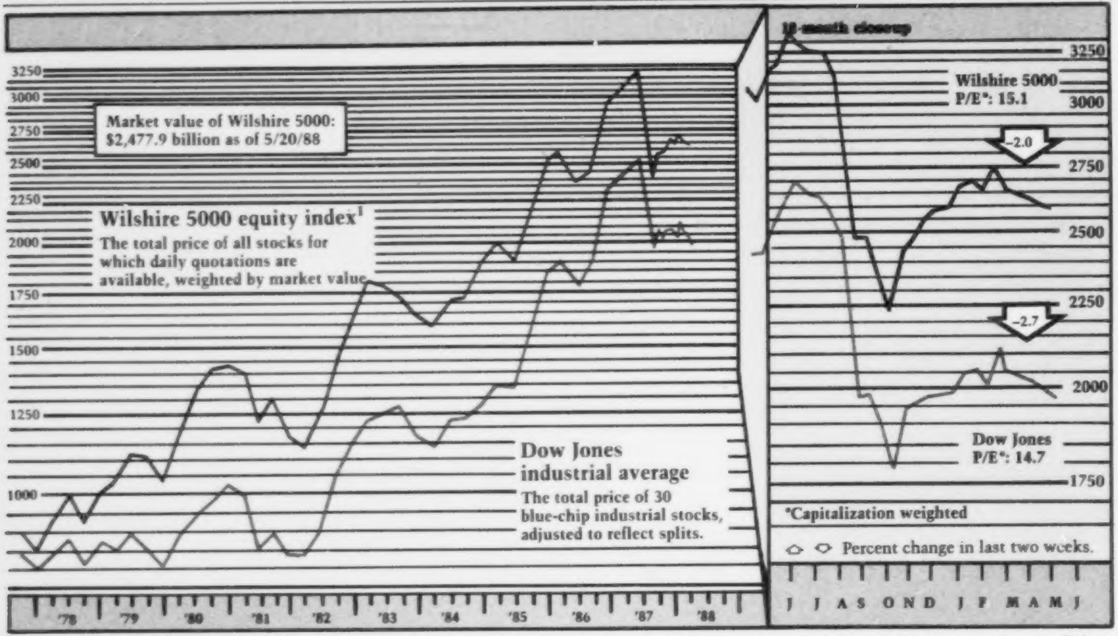
Hard dollars in software

The U.S. has a commanding and, it appears, growing lead in the world's booming software market. Of the estimated $44 billion worth of software produced by the industrial countries last year, U.S.-based producers accounted for nearly $24 billion—a huge absolute amount, and a higher proportion than in 1985.

Source: Lydia Arossa, "Software and Computer Services," OECD Observer

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Good news is bad news. Low unemployment and declining trade deficit figures would seem to indicate a healthy economy. Not so, according to stock buyers, who have been hard to please these days. The March trade deficit shrank to $9.75 billion, a three-year low. Wall Street responded by knocking down the Dow 21 and 35 points in successive sessions. The Dow is again trading below the 2000 level. For the two weeks ended May 20, the Dow fell 2.7%, while the broad-based Wilshire index lost 2%. Nasdaq stocks declined by 3.5%, while Amex shares didn't fare much better, with a 3.3% loss.

The yardsticks below indicate the relative strength of tiny companies, outfits with market capitalizations under $17 million. They continue to do better than the big guys. They rose a modest 0.1% during the last four weeks, while companies with over $1 billion in market value fell 2.8%. Over the last 52 weeks the large-capitalization firms lost 4.6%, while the small firms gained 17.5%.

Closeup On the Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	–2.5	–2.5	–3.1	–2.5	–2.1	–2.1
in last 52 weeks	–10.0	–10.1	–13.0	–9.9	–9.5	–10.2

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	–2.8	0.1	0.9	0.3	–0.9	–0.6	0.4	–0.3	–0.1	–0.5	–2.0	–0.5
in last 52 weeks	–4.6	17.5	14.6	5.3	–4.2	–1.1	–0.1	19.6	13.8	4.9	–0.9	13.3

[1] Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2] Based on sales. [3] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

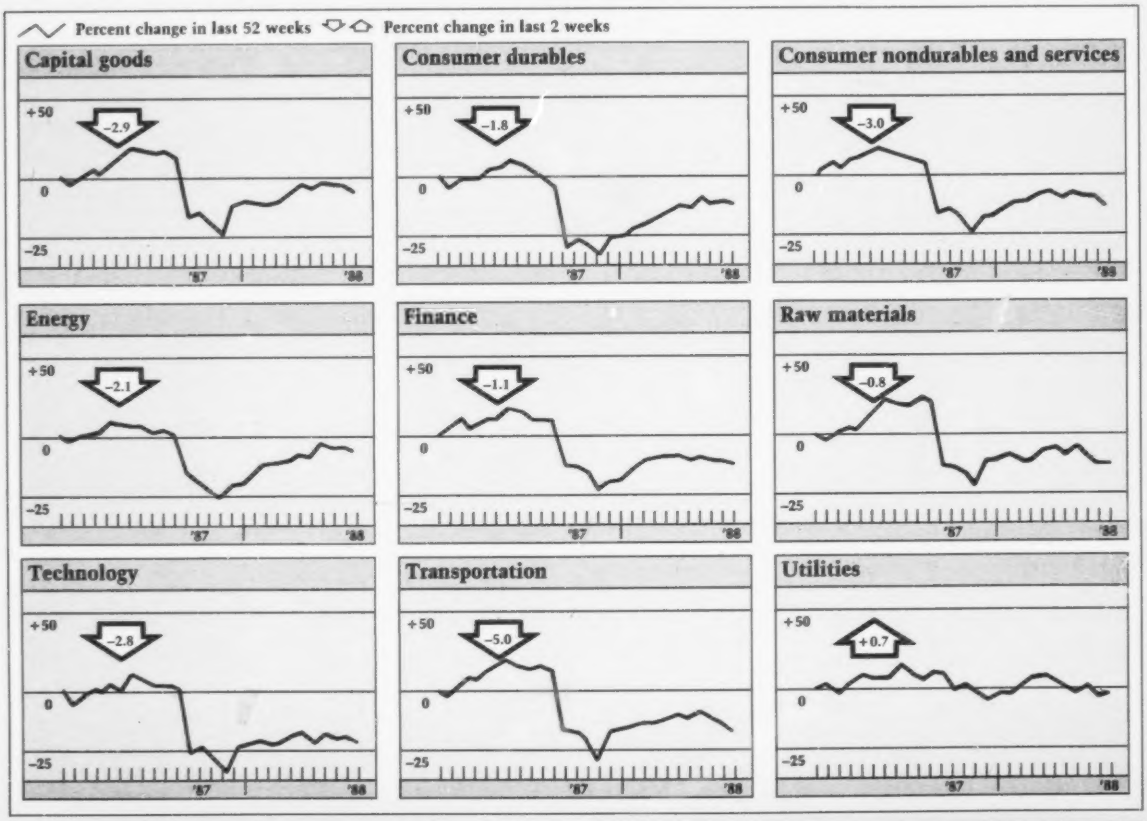
Steven Ramos

Note: All data for periods ending 5/20/88. Prepared by Wilshire Associates, Santa Monica, Calif.

Where the Action Is

The market speaks. Transportation stocks were discarded by portfolio managers worried about this inflation-sensitive group. During the last 52 weeks transportation and technology have been the worst-performing sectors, with losses of 17.2% and 18.4%, respectively.

Wall Street's upside action was focused on dividend-nabbing plays and takeovers. Both Houston Industries and GTE had over 48 million shares traded during the day prior to going ex-dividend. In the last two weeks takeover candidates Murray Ohio, a bicycle maker, and Macmillan gained 46% and 29%, respectively. Robert Bass is interested in acquiring the book publisher. Union Carbide fell 20%: Investors were not pleased with the firm's plans to slash its dividend and offer new stock.



What the Analysts Think

Evolving bargains. Lower stock prices and optimism about 1988 earnings continue to bring down the multiples on estimated 1988 earnings. Consumer durables shows the biggest earnings upgrade, as analysts increased this group's 1988 forecast by 4% over the last two weeks. Ford's 1988 estimate was raised from $8.26 to $9.09.

Forecasting the Forbes Sales 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.65	13.7
1988 estimates	3.54	10.2
1989 estimates	3.92	9.3

Rank based on change in estimate	Sector	Estimated 1988 EPS	Estimated 1988 P/E	% change in 1988 estimate in 2 weeks	% change in 1988 estimate in 4 weeks
1	Consumer durables	$4.30	12.1	4.01%	4.69%
2	Raw materials	2.92	10.2	1.95	3.06
3	Energy	2.90	13.2	1.45	2.47
4	Capital goods	2.57	13.9	0.61	1.16
5	Technology	2.87	11.3	0.37	0.88
6	Finance	3.44	7.6	0.24	−0.24
7	Transportation	2.46	10.3	0.15	0.18
8	Consumer nondurables	2.53	12.3	0.03	−0.02
9	Utilities	2.42	9.5	−0.13	−0.32

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continually by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 5/20/88. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

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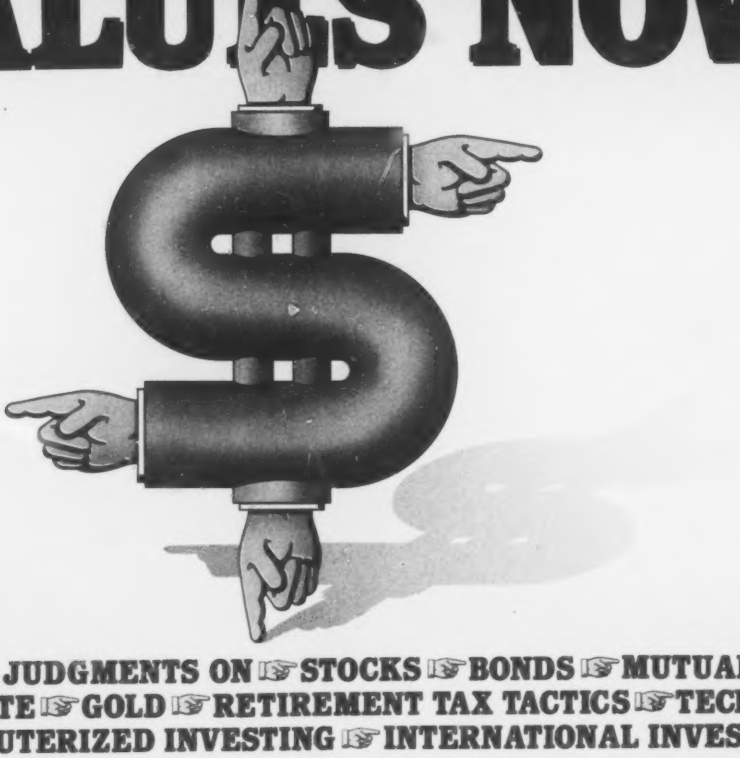

OUTSPOKEN JUDGMENTS ON ☞ STOCKS ☞ BONDS ☞ MUTUAL FUNDS ☞ REAL ESTATE ☞ GOLD ☞ RETIREMENT TAX TACTICS ☞ TECHNOLOGY ☞ COMPUTERIZED INVESTING ☞ INTERNATIONAL INVESTING

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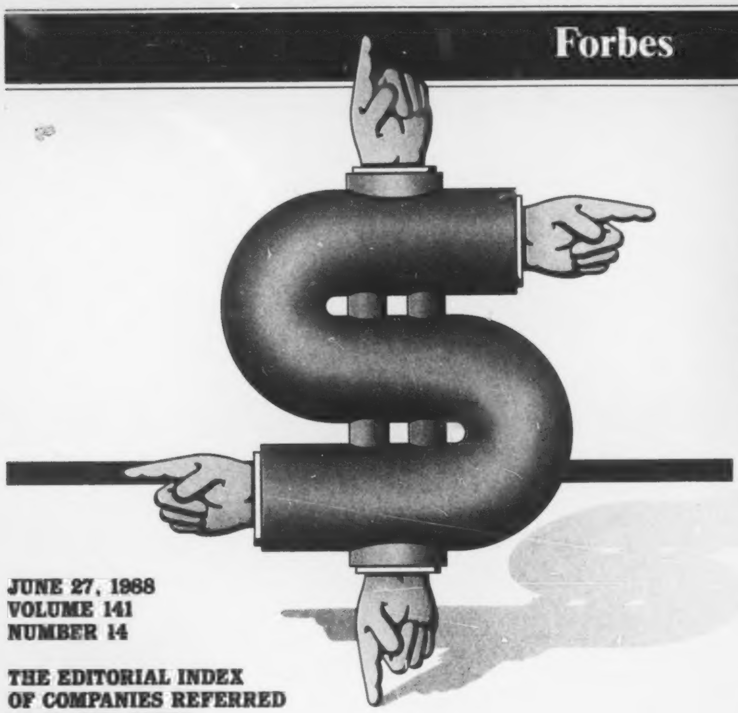

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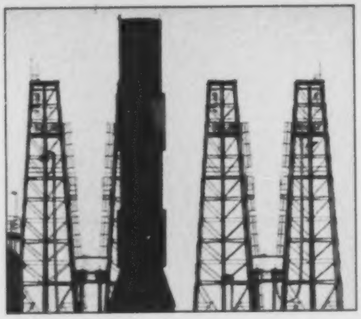

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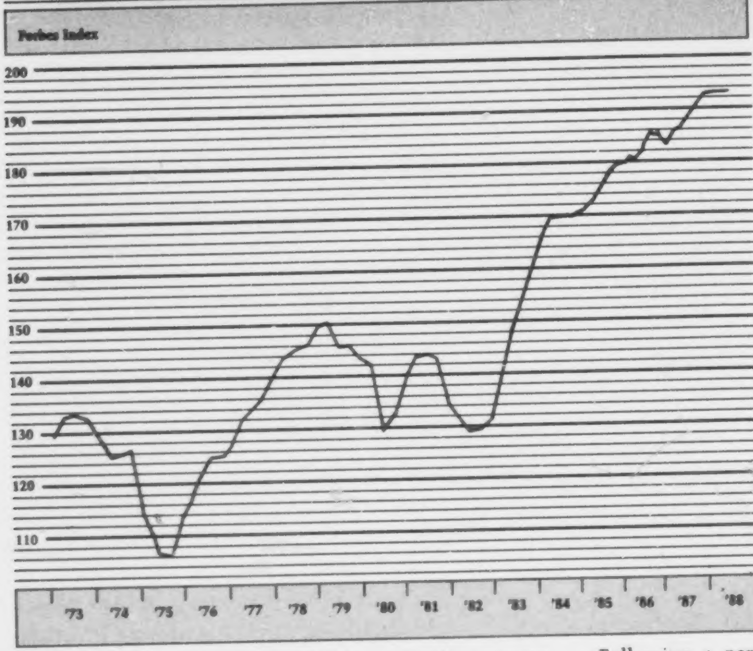
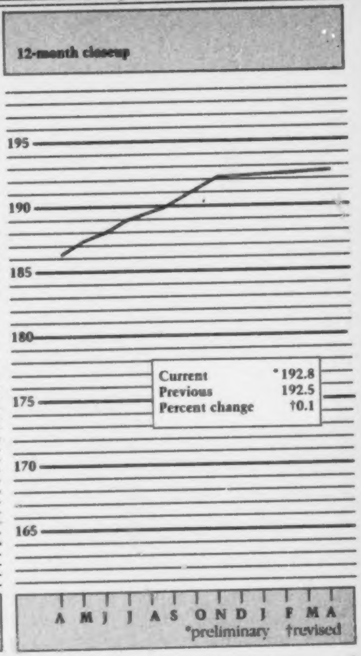
The Forbes Index





Some good news—undercut. Thanks to surging exports, the U.S. trade deficit narrowed dramatically in March. At $9.75 billion, the gap was the lowest in three years. Further improvement is likely, provided the dollar continues trading near its recent lows. The good news for U.S. exporters is undercut, of course, by higher prices paid by American consumers on imports.

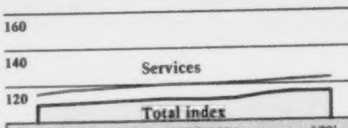
Following a period of relative stagnation, industrial production jumped 0.7% in April, while manufacturers' new orders increased for the third straight month.

The revised first-quarter figure for the gross national product shows real (after inflation) economic growth at an annual rate of 3.9%. The earlier estimate was only 2.3%. The preliminary Forbes Index for April was up 0.2%.

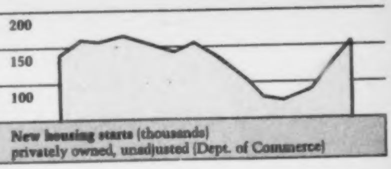
The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

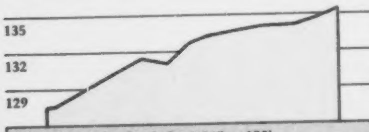
To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



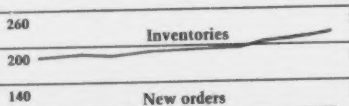
Consumer price indexes (1982-1984 average = 100) all urban consumers, unadjusted (Dept. of Labor)



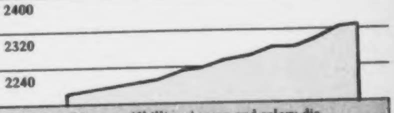
New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)



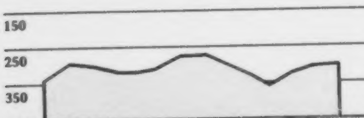
Industrial production index (1967 = 100) seasonally adjusted (Federal Reserve)



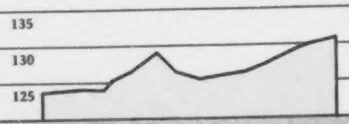
Manufacturers' new orders and inventories ($billions) seasonally (Dept. of Commerce)



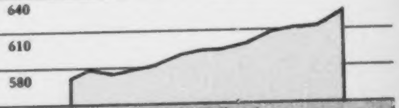
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)



Retail store sales ($billions) seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

Capital Preservation

"Shirtsleeves to shirtsleeves in three generations," said Andrew Carnegie. Why is it so hard to preserve capital? Why does family wealth dissipate in so few generations?

Preserving the family fortune

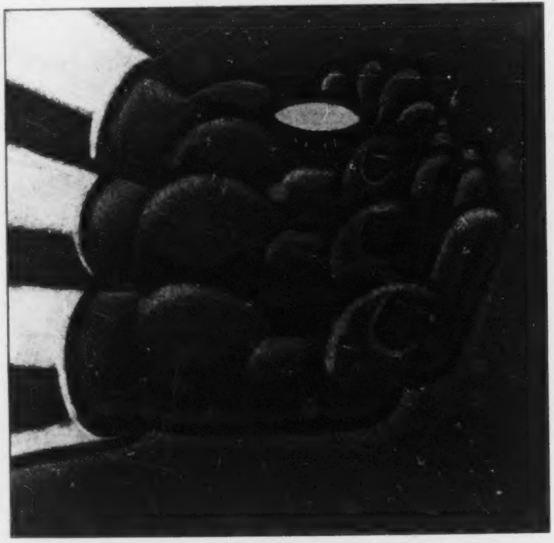
By Edward F. Cone

NOT EVEN Dick Freeman's funeral could bring his family together again. His sister, Mary Wisdom, and her children made a point of avoiding the front of the church where the rest of the family sat during the service in January 1985. With a lawsuit in progress and the Freemans publicly blaming their cousins for Dick's death, not even the starkness of death could heal the rift. How did one of New Orleans' most prominent families arrive at such a pass? Money. A feud erupted over the family's $150 million fortune, which had been amassed by an earlier generation and seemed destined to be dispersed as it was handed down to the next.

Ironically, the very act that sundered the family slowed the dissipation of the family fortune. By cutting their cousins, the Wisdoms, out of the succession, the Freemans had insured that only 11 members of the fourth generation, rather than over 20, would be sharing the wealth. That simple act of almost halving the number of heirs probably will keep the Freemans rich for a generation or two longer than otherwise. But this was a reprieve, not a pardon.

"Shirtsleeves to shirtsleeves in three generations," said Andrew Carnegie, the steel man who was the equivalent, in today's dollars, of a self-made billionaire. Why is it so hard to preserve a family fortune in the U.S.? Only a handful of families in the Forbes Four Hundred trace their wealth back before the Civil War. Our aristocracy is quite different from that of Europe, where wealth often lasts for several centuries. To cite just one example: The French-Swiss Hottinger family, which runs the Helvetia Fund, is in its seventh generation at the helm of a powerful private bank.

Illustrations by Douglas Fraser



One reason for the difference is the near absence of primogeniture in the U.S. But that is only part of the story. Old World wealth was for many centuries almost synonymous with land. If you lived off the land but never dipped into capital—never sold any of it—you could pass on the estate intact to the next generation.

The Schumpeterian dynamism of our economy, in contrast, has brought the nation great prosperity, but it has made static fortunes all but impossible. There is no buy and hold here. The prime lease of the previous generation may be the decaying central city of the present one. Today's premier software manufacturer may be tomorrow's Chapter 11. Whereas Old World wealth was at risk chiefly through war, revolution and the gambling table, today's U.S. wealth is at risk from every direction, and every day.

Does this concern only the superrich? Not at all. The same principles hold for the small nest egg and for the mighty fortune. The price of wealth today is an eternal vigilance. There are no one-decision stocks—investments that you can buy, put in a strongbox and just forget about.

The Wisdom family, into which the Freemans married in 1929, had old money dating to before the Civil War, made mostly trading cotton and tobacco. That money had largely petered out, but then a Freeman got lucky—or smart. In 1910 Alfred Bird Freeman, a former passenger agent for the Southern Railroad, put most of his meager savings into a bottling factory that had already failed twice. He eventually assumed control for a sum probably short of $20,000. It could have been foresight or it could have been dumb luck that he did not buy a horse halter manufacturer or a milk delivery route. What he got instead, along with the primitive bottling machinery, was the right to sell Coca-Cola in and near New Orleans.

It was this asset, the Louisiana Coca-Cola Bottling Co., that his grandchildren were squabbling over. At the urging of Dick Freeman, A.B.'s son, and Dick's sons Louis and Richard, the Wisdoms sold their sizable stake back to the company treasury at $950 per common share in 1983. Not long afterward, the Freemans sold the entire company to Coca-Cola for $150 million, or $6,750 per share. (The Wisdoms sued and in a settlement recouped an undisclosed fraction of what they lost out on.)

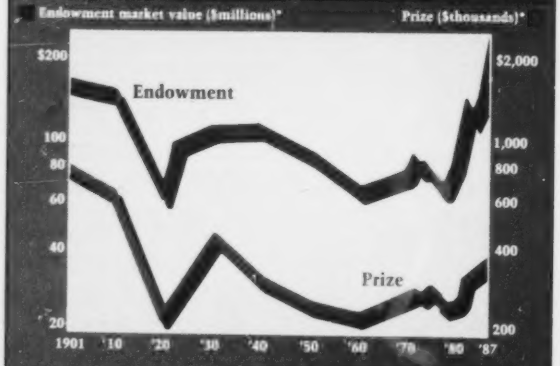
The Freemans' good fortune, however, has to be considered something of a fluke. They latched on to one of the great success stories of this century, Coca-Cola. How have other fortunes fared?

Andrew Carnegie gave away most of his fortune. But what if he had had an heir who wanted to take over the family business? Chances are that the great fortune would not be intact today. Integrated steel plants in 1901, when Carnegie sold out to J.P. Morgan to create U.S. Steel, were like Coke bottlers are today: gold mines. They didn't stay that way for long. A $1,000 investment in U.S. Steel 71 years ago is now worth, in 1917 dollars, about $466—from which would come inheritance taxes and generational divisions and subdivisions. The asset simply didn't hold up. Unless renewed by an energetic descendant or through shrewd redeployment of assets, the Carnegie fortune would no longer exist even if it hadn't been given away.

How about the Rockefeller fortune, once one of the greatest? Old John D. was worth almost a billion in 1915, from a standing start a half-century earlier. Oil was surely the can't-miss business of the day. Today more than 80 descendants share perhaps $4.5 billion. If the family had merely kept up with the Dow over the past 70 years, it would have $20 billion today. Even allowing for the fact that John D. gave away half his fortune and his son gave away a lot too, the fortune hasn't held up too well.

The Nobel (inflation-adjusted) Prize

The prestige of the Nobel Prize is undiminished, but the value of the cash awarded to five laureates each year has declined greatly. Conservative trustees of the Nobel Foundation diversified beyond bonds and timber into stocks and real estate only lately.



*Adjusted to the 1987 Swedish price index and translated into dollars at recent exchange rates. *Sources: Nobel Foundation, Skandinaviska Enskilda Banken*

The Mellons of Pittsburgh? They accumulated fabulous wealth in banking and aluminum. But neither Aluminum Co. of America nor Mellon Bank has been a good investment over the past 20 years. The Weyerhaeusers of Seattle? They are still very rich, but timber shares are no foolproof inflation hedge. Weyerhaeuser stock has lost one-third of its purchasing power in the past 15 years. The du Ponts first acceded to wealth in the early 1800s, although it might not have lasted much beyond World War I but for a very astute switch in the family's business from gunpowder into synthetics.

Family fortunes, then, are anything but secure in a family business. Is it better to sell out and invest the proceeds in a diversified portfolio? That was the decision 14 years ago of one Midwestern machinery manufacturing executive, who asked for anonymity. "I didn't see anyone else in the family who could run the company," he says. "I was the last of the Mohicans." He persuaded his cousins to accept an offer from a bigger company. He put the $140 million proceeds in a family holding company, where a cautious dividend policy has preserved the principal against the ravages of inflation. The pot is now about $500 million.

It is not easy, however, both to maintain an estate and live well off it. Money is not necessarily self-nurturing, and part of the income must usually be reinvested to repair the damage done by inflation, unforeseen changes and bad investments.

Consider one well-known trust that has faced minimal income taxes over the years and no increase in the number of its beneficiaries, yet has not kept up its payouts. That is the endowment left by Alfred Nobel to fund five prizes. The chart above shows what has happened. Although the endowment has recently returned to its original value, thanks to a runup in the Swedish stock market, the prizes being handed out today are worth only half what they used to be. The managers of the endowment erred probably only in being a little too conservative. Investments were largely in bonds and timberlands in the early years. Diversification into stocks, real estate and foreign securities has been fairly recent.

Tucking a fortune away in ultrasafe securities—say, government bonds—is no way to preserve it, at least if the entire income is to be spent every year. Inflation will eat into the principal. If inflation keeps up its pace since the 1930s, it will wipe out 90% of the dollar's value in only two generations.

Gold? That is an ideal inflation hedge *(see story, p. 190)*, but it has no yield.

How would a trust invested solely in U.S. stocks do? The chart in the following foldout tells that story. In real (inflation-adjusted) terms, the prices of stocks have trended irregularly but unmistakably higher over the past several generations. What counts, though, is their income-producing ability—the dividend level. Dividends keep going up, but adjusted for inflation, they have scarcely budged in the past quarter of a century. It appears, then, that a well-husbanded estate invested in average U.S. stocks could maintain its value for a long time—if not for taxes and a likely increase in the number of heirs along the way. Those factors make the battle for many families all but unwinnable.

What is the best way to preserve a fortune in the U.S.? Probably the only sure way is to have intelligent heirs. If they are astute and driven executives who are capable of running the family business for as long as that makes sense and of redeploying assets when the time comes, only then can they win the battle against inflation and economic change.

The same is true of smaller portfolios over shorter periods: There is no sure, safe way to preserve wealth, let alone to enhance it. It takes nerve, careful study, unemotional investments and good timing. The articles in this issue are a good place to start the study—but you yourself will have to do the work. ■

OVERSIZE FOLDOUT(S) FOUND HERE IN THE PRINTED EDITION OF THIS VOLUME ARE FOUND FOLLOWING THE LAST PAGE OF TEXT IN THIS MICROFICHE EDITION.

SEE FOLDOUT NO 1

Where you live affects how you should invest. In states where the politicians look on returns to savings as "unearned," for instance, Treasury bonds then become very attractive.

Beyond the 1040

By Gale Eisenstodt

WHAT IS THE WORST PLACE in the U.S. for an investor to live? That's a tough question, since there are two strong contenders for the award, New York City and Connecticut, and there is something bad to be said for each of them. New York City seems to have the worst possible marginal rate on investment income. There, the combined state and city marginal tax rate—the additional tax penalty for earning the last dollar of income—can get as high as 17.8% in unusual circumstances.* Connecticut's top tax bracket for investors is only 12%, but it affects a great many more people. You be the judge.

Time was when tax planning for the investor was built around the federal tax code, since rates there were so much higher than at the state level. The 1986 tax act changed all that. With the top federal bracket only 33% (28% for the richest taxpayers), state taxes loom larger. The benefit of deducting them on the federal return is smaller. Indeed, people who wind up paying the new federal alternative minimum tax don't get any federal benefit from state taxes. For them, Albany's reach goes deep into the pocket.

"State tax is more important in the planning of investments than it used to be," says Bruce Cobern, a tax manager at accountants Weber Lipshie &

Oink, oink!

If you live in Idaho, don't invest in a semiconductor factory; the legislature would rather you bought breeder pigs. Other states seemingly don't want you to save at all. Here is a guide to the highest tax rate in each state on portfolio income, as of May 30. Except as noted, rates are for joint returns and apply to taxable income as defined by the state.

	Top 1988 tax rate on	
State	**interest & dividends**	**long-term capital gains**
Alabama*	5% above $6,000.	same
Alaska	none	none
Arizona*	8% above $14,000	same
Arkansas	7% above $25,000	same
California	9.3% above $47,900	same[1]
Colorado	5% flat rate	same
Connecticut†	12% above $100,000[2]	2.8% flat rate‡
Delaware	7.7% above $40,000	same
D.C.	9.5% above $20,000	same
Florida	none	none
Georgia	6% above $10,000	same
Hawaii	10% above $40,000	7.25% above $5,000[3]
Idaho	8.2% above $40,000	same[4]
Illinois	2.5% flat rate	same
Indiana	3.4% flat rate	same
Iowa*	9.98% above $45,000	same[5]
Kansas	5.3% above $35,000	same
Kentucky*	6% above $8,000	2.4% above $8,000‡
Louisiana*	6% above $100,000	same
Maine	8% above $30,000	same

Chas B. Slackman

**The top city tax rate is 3.5% and the top state rate is 8.375%, plus a surcharge of up to 2% on investment income. The way the surcharge is calculated, however, throws a double whammy on people with income between $100,000 and $200,000. A single taxpayer with $198,500 of income, all interest and dividends, would see his tax go up $178 as a result of earning an additional $1,000.*

Co. in New York.

And state tax planning is more complicated than it used to be, what with the flurry of state enactments in response to the new federal code. We present, in the table opposite, a rogue's gallery of state tax departments. But the rates shown are only a preliminary indication of relative tax burdens. North Dakota looks bad with a top 12% rate on dividends and interest, but the state leaves an out: In lieu of using the published schedule, the taxpayer can pay the state 14% of his federal tax liability. That effectively brings the maximum state bracket down to 4.6%.

If you live in Texas, Nevada, Alaska, South Dakota, Wyoming or Washington State and have only in-state investments, you can skip the table. But if you live somewhere else, or own a tax shelter or other partnership with properties in a state with a personal income tax, state taxes demand attention. Note that a number of states simply have it in for investors. Salaries are taxed lightly, while savings are hit hard. "Treatment of interest, dividends and capital gains is not one of the fighting causes in many states," says Steven Gold, director of fiscal studies for the National Conference of State Legislatures.

Massachusetts, for example, imposes a flat 10% tax on interest and dividends but only 5% on earned income. Connecticut and Tennessee exempt earned income altogether. In places like those it becomes doubly important to use Keogh and corporate thrift plans to the maximum extent possible. These forms of savings then do more than defer tax; they convert investment income into a more lightly taxed variety.

The complexities are endless. Seven states allow residents to deduct federal taxes from state returns, in a way that helps lower effective rates. Some states piggyback onto federal definitions of income, while others don't. In Idaho, real estate held for five years qualifies for a 60% exemption on capital gains taxes, but a breeder hog need be owned for just one year to get the exemption, unless it resides out of state.

Beware also of Florida's back-door income tax. The Sunshine State imposes an annual 0.1% wealth tax on portfolios. For a stock portfolio with an average yield, this is about the same as a 3% income tax.

Then there are limited partner-

Oink, oink!

	Top 1988 tax rate on	
State	**interest & dividends**	**long-term capital gains**
Maryland	5% above $3,000	3% above $3,000[6]
Massachusetts§	10% flat rate[7]	5% flat rate
Michigan	4.6% flat rate	same
Minnesota	8% above $19,000	same
Mississippi	5% above $10,000	same
Missouri*	6% above $9,000	same
Montana*	12.1% above $48,000[8]	same
Nebraska	5.9% above $45,000	same
Nevada	none	none
New Hampshire†	5% flat rate[9]	none
New Jersey	3.5% above $50,000	same
New Mexico	8.5% above $64,000	same
New York§	10.375% above $200,000[10]	8.375% above $34,000
North Carolina	7% above $10,000	same
North Dakota[11]	12% above $50,000	same
Ohio	6.9% above $100,000	same
Oklahoma	6% above $15,000	same
Oregon	9% above $10,000	same
Pennsylvania	2.1% flat rate	same
Rhode Island	22.96% of federal tax liability	same
South Carolina	7% above $10,000	same
South Dakota	none	none
Tennessee†	6% flat rate	none
Texas	none	none
Utah	7.75% above $7,500	same
Vermont	25% of federal tax liability	same
Virginia	5.75% above $15,000	same
Washington	none	none
West Virginia	6.5% above $60,000	same
Wisconsin	6.93% above $20,000	2.77% above $20,000‡
Wyoming	none	none

*State allows deduction for federal taxes, which usually helps lower effective rates. †State has no tax on earned income ‡After giving effect to 60% capital gains exclusion. §Rates on interest, dividends and capital gains are higher than those on earned income.

[1] Allows credit equal to 4.5% of gain from sale of instate rental residential or farm property.

[2] Applies to returns where federal adjusted gross income exceeds $100,000.

[3] If an individual's income including the capital gain is taxed at a rate in excess of 7.25%, the capital gain is taxed at only 7.25%.

[4] 60% exclusion allowed for instate assets: realty held 5 yrs; tangible personal property used by a revenue producing enterprise—manufacturing, timber, farming—held 6 months; cattle or horses held 24 months; other breeder livestock held 12 months; timber held 24 months.

[5] 60% exclusion allowed on first $17,500 for most investors.

[6] Effective rate after allowing 40% exclusion of capital gain.

[7] Interest and dividends on instate savings account taxed at 5%.

[8] Includes 10% surcharge.

[9] $1,200 of interest and dividends exempt.

[10] Consists of 8.375% marginal rate beginning at $34,000 plus flat tax up to 2% on all dividend and interest income above $200,000 of New York adjusted gross income (AGI). The 2% flat tax phases in between $100,000 and $200,000 of New York (AGI).

[11] Taxpayers may elect alternate method of 14% of federal tax liability.

Source: National Conference of State Legislatures ships, which are fraught with pitfalls. Grant Thornton partner Thomas Ochsenschlager points out that if you own shares of a partnership, or even of a publicly traded master limited partnerhip, you may have to file and pay taxes in every state where the partnership does enough business that you exceed filing minimums. So if you bought shares of Servicemaster, L.P. and you've retired to Florida, you may have to file in dozens of states where the company does business.

Ochsenschlager recalls an unfortunate District of Columbia resident with an interest in an Oklahoma oil well who didn't file Oklahoma returns and in the end was double-taxed for several years of royalty income. He owed taxes and interest for his misdeed and, as a final sting, couldn't claim the Washington credit for taxes paid to another state. By the time the taxpayer paid up in Oklahoma, his returns could no longer be amended.

What's a poor investor to do? One strategy is to buy U.S. Treasury bills, notes or bonds, which are universally exempt from state tax, including the Florida wealth tax.

Another is to buy municipal bonds from your home state, which are generally exempt from state and local income tax (Illinois, Iowa, Kansas and Wisconsin are exceptions to this rule). Many large mutual fund houses offer single-state tax-exempt bond funds that invest solely in munis from one state. Such funds exist for over a dozen states and New York City. Obviously, the tactic will make more sense if you live in California than if you live in Pennsylvania. And beware that you don't sacrifice more in high sales charges and low performance than you save in taxes.

Still another strategy is to vote with your feet. If you are going to retire to Florida and you are sitting on a lot of capital gains, move before liquidating your portfolio. ■

Before you retire or take a distribution from your corporate thrift plan, be sure to study the tax laws. Also get professional help.

Retirement tax strategy

By Laura Saunders

TAKE IT FROM Leon Nad: Figure your taxes before you retire. "For the typical retiree, these are the most important financial decisions he or she will make," insists the tax sage of Price Waterhouse, who is himself retiring at 60 in June.

Why? Because so much money is at stake. At retirement, you typically receive at least part and maybe all the assets that have been building up in your name for years in tax-deferred ("qualified") retirement plans. The sum can easily run to the hundreds of thousands or even millions of dollars.

Thanks to Congress' persistent meddling, these disbursements are subject to tax laws of staggering complexity. Penalties for mistakes are high. Even worse, notes Price Waterhouse tax expert Robert Wagman, "the most important decisions are often irreversible."

Chas B Slackman

A San Francisco executive Wagman knew of took a three-month trip to Europe at the wrong time. Soon after he left he received a $600,000 profit-sharing settlement. The man was going to roll the money into an Individual Retirement Account. But the IRS' deadline for rollovers is a strictly enforced 60 days. Tax due: about $250,000. An expensive trip.

The moral is that where taxes and retirement are concerned, get expert help. Read this guide and, if you want, the impenetrable IRS publications 560, Self-Employed Retirement Plans; 575, Pension and Annuity Income; and 590, Individual Retirement Arrangements. Such study will be merely a warm-up for a consultation with an expert.

C

Money Managers

Yes, you can find a money manager who'll handle your $100,000 account. But you might be much better off in a mutual fund.

Professional help

Phil Huling

By Jonathan Clements

FOR A DECADE, Erland Construction's $700,000 profit sharing fund languished in certificates of deposit and Treasury bills. The fund's trustees twice tried to find a professional manager, but both times gave up in confusion. "All I can remember are reams and reams of brochures and statistics that you just couldn't wade through," recalls Anne Feher, corporate treasurer of the Burlington, Mass. construction company.

The fund's bewildered trustees finally turned to Robert Barker, an E.F. Hutton vice president who matches investors with money managers. Barker helped the trustees select a local money manager who put the fund's assets into a conservative mixture of stocks, bonds and cash. "I turned over the money on the Friday before Black Monday, so they didn't have time to invest it," says Feher. "I guess we were lucky."

Erland's profit sharing fund, and $28 billion in similar accounts, helped Hutton's asset management division (now part of Shearson Lehman) gross $331 million last year in management fees and commissions. Shearson's "select" program doesn't pick stocks; it picks stock pickers, sharing with them a "wrap fee" of up to 3% of assets annually that covers commissions on trades and portfolio management fees. Shearson's other consulting service, the "suggest" program, has a $100,000 minimum and either charges a wrap fee or picks up "soft dollars" by having money managers funnel trades through Shearson.

A 3% fee for managing money is a little on the steep side *(see story, p. 260)*, but the success of the 15-year-old program is evidence that Shearson's money-manager-finders are filling a need. Out there are a lot of savers like Erland Construction who not only don't know how to pick investments but also don't know how to pick investment managers.

It's not easy to select a money manager. Today there are 4,500 investment advisers who will handle money on a discretionary basis, up by 1,200 in two years. Managers typically take an annual fee of 0.5% to 2% of assets, depending on the size of the account. With the exception of the Shearson select program's fairly unusual arrangement, they also usually run up brokerage commissions. Some of the pros earn back these costs by consistently beating the market averages. A lot don't, however, and their clients end up wishing they had bought a cheap index fund that merely tracked the averages.

Indeed, the first question any small investor should ask before picking a money manager—or having someone like a broker do it—is whether a manager is needed at all. With a modest annual fee of 1%, a $1 million account will generate $10,000, enough for some personal attention and perhaps even tax strategy. But what about a $100,000 account, the minimum needed for the Shearson select program? Even at a stiff 3%, that account will yield the manager only $3,000 a year, not enough for a lot of hand-holding and individualized portfolio strategies. And if what you get is a cookie-cutter portfolio, why not put the $100,000 into mutual funds? Plenty of good funds are available with fees, overhead and brokerage commissions running a lot less than 3% of assets annually.

When Heidi Steiger took over the individual asset management division of Neuberger & Berman in January 1986, she raised the minimum account size from $100,000 to $250,000. "At that point, the performance is very consistent, whether you're talking about a $250,000 account or a $20 million account," says Steiger. "Below $250,000, the performance is very spotty." The reason is simple: Small portfolios are difficult to diversify. Indeed, that's why mutual funds were invented. Their chief disadvantage is that they cannot pass capital losses through to shareholders.

"When you can go out and buy a no-load with very low management expenses and a competitive record, I don't find it very compelling to go hire a manager for $50,000," argues Sandy Lincoln, a managing director with consultant Mercer Meidinger Hansen, a firm that helps pension sponsors find portfolio managers. "It's a waste of bucks."

If you have substantial assets—or if you have only $50,000 but are determined to ignore Lincoln's good advice—do what pension funds do: hire a consultant to find a money manager.

First question to ask: How will the consultant be paid? Some, like New York City's Wyatt Asset Services, charge a flat fee or an hourly rate. Wyatt's accounts are generally above $10 million, and carry fees of at least $15,000 for the selection of a portfolio manager and $8,000 annually for monitoring performance. There are, however, consultants whose accounts are much smaller. San Diego-based adviser Michael Stolper, for example, charges a minimum of $1,500 for finding a portfolio manager.

Retail brokers with a sideline as money-manager-finders often take much smaller accounts. They typically don't collect from the investor at all. Instead, they insist that the lucky manager who gets the account do his trading through the referring broker. Some nonbrokerage consulting firms take their pay in similar fashion, through soft dollars that allow them to share in commissions directed to a particular brokerage firm.

The problem with such an arrangement is that it gives the money manager an incentive to churn your account. If you go this route, you have the added burden of watching closely the turnover in the account. Set a limit on the dollar amount of brokerage fees that can be run up per year. A starting point for negotiation is the 3% wrap fee that Shearson's select program offers. Brokerage commissions plus money management fees should not exceed this percentage of your assets.

Once you have narrowed your search to one or two prospective managers, check them out. Money managers are usually willing to provide lists of satisfied clients, although such testimonials must be taken with a grain of salt. You'll never hear about their clients who lost money.

Next, ask for the money manager's ADV registration with the SEC. Part II shows résumés of the firm's principals and describes fees and management style. Part I lists criminal convictions and tells you whether the firm has ever had trouble with the SEC. Make sure that you get the whole ADV.

By invitation only

The ten top managers over the past five years, as tracked by CDA Investment Technologies, can afford to be picky about their business. Most won't take accounts under $1 million, and some aren't accepting new money. The best is Mario Gabelli's Gamco. His advice is open to the public through the closed-end Gabelli Equity Trust, which trades at a discount to net asset value, and the open-end Gabelli Asset Fund. Ruane Cunniff runs the Sequoia Fund, but it is not accepting new shareholders.

Company/headquarters	Assets under mgmt ($mil)	5-yr annual return[1]	Minimum account[2] ($mil)	Fee for minimum account
Gamco Investors/New York	$1,010	26.7%	$1	1%
Ruane Cunniff/New York	733	24.3	—[3]	—[3]
Tweedy Browne Co L.P./New York	276	21.7	—[3]	—[3]
Southeastern Asset Mgmt/Memphis	457	20.7	10	0.85
Tukman Capital Mgmt/Larkspur, Calif.	239	20.6	2	1.75
First Manhattan Co/New York	3,486	20.3	none	1
Reich & Tang L.P./New York	1,066	19.6	20	1
Trinity Investment Mgmt/Boston	3,553	19.6	10[4]	0.85
Cashman Farrell & Assoc/Wayne, Pa.	596	19.5	1	1
Harris Associates L.P./Chicago	1,338	19.4	2.5	1
S&P 500		15.5		

[1] Ending March 1988. [2] If taxable. [3] Not accepting new accounts. [4] Smaller accounts accepted but minimum fee of $42,500 applies.

Source: CDA Investment Technologies

Next, ask for performance history. Alas, this must be taken with another grain of salt. A standing joke in the pension consulting industry is that there is no such thing as a bottom-quartile performance. How so? One trick is for the manager to present data only for those periods when he was beating the market. There are 1,001 other ways to fudge a performance record. Among them: excluding disgruntled ex-clients from the averages, weighting the averages according to what method gives the best-looking results, and publishing hypothetical results as if they were achieved with real money. In severe cases of underperformance the management firm can always go out of business and reorganize under a new name. The bad performance numbers simply disappear.

And then there is the outright lie. "Just today, I must have had two or three managers sending me information that is completely fabricated," says Bruce Hauptman, a Fairfield, Iowa consultant.

Aren't performance data filed with the SEC? Unfortunately, no. But large managers do file certain SEC documents from which reasonable guesses can be derived. Managers with at least $100 million in stocks and convertibles list their positions at the end of each quarter. Companies like Rockville, Md.-based CDA Investment Technologies use those filings to measure performance. CDA simply assumes that all positions held at the quarter's start are maintained unchanged for three months. The advantage to the CDA system is that managers would find it hard to doctor the numbers. The disadvantage is that it presumes a money manager is fully invested and ignores trading between quarterly statements. Over short periods, the CDA rankings are not too reliable. For long periods—three years and up—they seem to be the most unbiased performance data available. In the table we show the ten managers that were top-ranked by CDA over the past five years.

On very rare occasions, the SEC catches a money manager for fudging his record. Last year it charged that Max Zavanelli, a Chicago-area manager, cited investment results that included three years when no actual trades occurred. Zavanelli, who says he was paid for investment advice during those three years but didn't actually execute the trades himself, was barred from accepting new clients for 180 days. He thinks the SEC was just being overly zealous.

A final note on performance records: They are a very imperfect guide to future results. Equally important is the risk the manager takes to get his results, and whether you are comfortable with that level of risk. Perhaps the first question to ask is how well the average account did in the final quarter of last year, when the market crashed.

Once signed on with a manager, when should you bail out? Industry wisdom says a money manager should get three years or a market cycle to prove his worth. But consultant Stolper says that may be too long. "If you get into the second year and it's going to take an act of God to hit your objectives, you might as well leave."

Better still, try to get out before the numbers turn bad. Among the early warning signs are a change in the management company's ownership, a switch in your account representative without reasonable explanation, a change in the money manager's investment philosophy or the departure of key personnel.

If this sounds like too much work, consider the cheaper option, which is to buy a mix of mutual funds. ■

Investing deluxe

Sarah Leen

Jack Church of Glenmede Trust Co.
"If we skimp on service, we're dead."

It's time to sell your racehorse stabled in France, but you simply can't find the time to close the deal. What to do? Why, turn to your trust officer.

Selling Thoroughbreds or yachts or homes in foreign countries is not Jack Church's primary business. But with a million-dollar account minimum at Philadelphia's Glenmede Trust Co., where Church is head of investments, customers can be demanding. "If we skimp on service, we're dead," says Church, 55. Not skimping—Church has arranged for all of the above transactions—has allowed his employer to reach $4 billion in assets under management, up from $1.2 billion in 1979, when Church came over from the trust department of a bank.

There are others in the business of hand-holding for wealthy investors. One of the best known is New York City's Bessemer Trust, a family office originally run for descendants of steel baron Henry Phipps. Another is U.S. Trust Corp., a New York institution that has moved from commercial banking into trust work.

Glenmede did not exactly start from scratch. Well-heeled Main Line Pennsylvanians have known the company since its founding in 1956, when J. Howard Pew set it up to administer his family's charitable foundations. The assets in those seven trusts were made up mostly of stock in Sun Co., which Pew's father had started, along with holdings in Chilton Publishing and General Crude.

Glenmede's current incarnation came about almost by accident. International Paper bought General Crude in 1974, leaving Glenmede's board with the question of how to reinvest the cash. It decided to open a for-profit money manager, which would take outside business. Says Anderson Pew, 51, a great-grandson of Sun's founder and a member of both the Sun and Glenmede boards, "We felt there was a critical mass to be reached in terms of dollars managed." The critical mass has been reached. Glenmede, owned by Pew family members and top management, made a profit of about $1.4 million last year on revenues of $11.8 million.

Church knew where to find his customers, who pay a minimum of $10,000 a year, plus an additional $5,000 for the second and each subsequent million dollars. "Philadelphia is a trust-oriented city," he says. "Very conservative and very wealthy." His market was the disgruntled clients of Philadelphia's commercial banks, many of which have recently undergone mergers. "Our customers expect personal attention," says Church. And, evidently, a sense of humor. A caller who dials Andy Pew by mistake is told, "Right Pew, wrong Church."

Performance, seemingly a secondary consideration for the carriage trade, is not bad at Glenmede. Its Pew Memorial Trust has appreciated 17.5% a year over the five years ending December 1987, versus a gain of 16.4% for the S&P 500.—**Edward F. Cone**

How much trading is too much? Depends on whom you ask. Brokers with discretionary accounts are likely to consider a 200% annual turnover reasonable. (Meaning, if you have $100,000 in stocks, you do $200,000 of purchases and $200,000 of sales in the space of a year.) Now look at the table on page 258. One of the top-performing money managers, Ruane Cunniff, also runs the excellent Sequoia Fund (sorry, it's closed to new investors). Sequoia's average turnover in the past decade: 30% a year.

Arthur Levitt, American Stock Exchange chairman, has suggested brokers should work on retainers instead of commissions. In a sense, that's what Shearson Lehman Hutton does with its annual "wrap fee" on money management, where all fees and commissions are rolled into one percentage fee. No matter how active their buying and selling, clients pay 3% on assets up to $500,000, and less above that. Other brokerage firms have similar programs.

Another option for novices is a bank trust department. Minimums vary, but they are usually lower at small-town banks than big city banks. Accounts at Bridgeport, Conn.-based People's Bank start at around $250,000.

Fees? Many banks take 1% or so of assets annually. People's Bank takes a percentage of assets and a percentage of interest and dividend income. A $300,000 account generating $20,000 a year in income would run up $3,075 a year in fees. You will also pay commissions on the stocks and bonds the bank buys for you. Figure an extra 1% in startup costs for that, says Robert Langell, a trust officer at People's. But you could keep this cost low by urging that a large fraction of the account go into long-term Treasurys or municipal bonds bought new. As for commissions in subsequent years, they would probably be fairly low since banks lean to a buy-and-hold strategy. Unlike brokerage houses, they don't make trading their livelihood.) But nail down this point with the trust officer.

Beware the hidden commission. Planner Capelli tells of one client with $150,000 to invest. The client had happily received a "free" financial plan from an adviser, but the commissions to execute the plan totaled $12,000. If a broker boasts that a mutual fund has no upfront load, look for a back-end one. Typically such a load is coupled with an annual "12b-1" sales fee taken out before you see a dividend. New Securities & Exchange Commission rules require that such costs be spelled out toward the front of the prospectus.

If you have more than $250,000, you can hire an investment adviser for about 1% of assets annually plus commissions. Prudential-Bache Investment Management requires $500,000, and you pay 1% for equities or ¾% for bonds, plus commissions that generally total 1% or less a year, according to Jeffrey Laikind, the group's managing director. For accounts between $100,000 and $500,000, clients pay 3% of assets and no commissions.

Another possibility, for those who have some financial sense but don't want to pick stocks, is to find a stock manager for half the money and then manage the rest themselves, by buying and holding bonds. Michael Stolper, a San Diego consultant who finds money managers for rich people, encourages clients to do just that. People who follow his advice pay fees only on that part of their portfolio that requires active management.

Perhaps the cheapest, and least exciting, way to invest in stocks is by going into the Vanguard Index Trust, a no-load fund that mechanically duplicates Standard & Poor's index of 500 stocks. Annual overhead and management cost on $100,000: $270, including a $10 account fee. You're guaranteed never to beat the average, though.

Another relatively cheap way to manage money is by buying a few good no-load mutual funds (FORBES, *Sept. 7, 1987*). Or you can buy a good closed-end investment company when they sell—as they currently do—at substantial discounts from asset value. The only annual fee you pay is the regular management fee—often less than 1% of assets. That is not only cheap but it also gives you the advantage of having not one but a number of good advisers.

Whatever you do and whomever you choose, keep one essential fact in mind: Don't hire a broker or adviser and then just walk away. "Even those who don't want to get involved ultimately have to," says John Markese, director of research for the American Association of Individual Investors. You don't have to constantly second-guess your adviser, but you should know what he is doing and why. ■

If you really don't know what you're doing, you can wind up paying two layers of fees to have your money managed.

Double dip

By Eric Schmuckler

A MUTUAL FUND is for someone who lacks the time or assets to pick his own stocks or who wants the additional diversification a fund can bring. What is there for someone who can't pick his own fund? A fund-picking service. Does such a service make any sense? Only for the truly helpless. And it costs a pretty penny.

The business is growing smartly. Some bank trust departments invest by investing in funds. Several newsletter writers, including Sheldon Jacobs of the *No-Load Fund Investor* and William Donoghue of *Donoghue's MoneyLetter*, are now managing portfolios of funds.

Gary Henrie

Laziness and nervousness are the fund advisers' two chief selling points. "Many of our clients are busy professionals who don't even have time to go through their daily mail," offers Paula Dachis of Schabacker Investment Management, which collects a 0.6%-to-2% annual fee for helping clients pick funds.

Another key service a fund adviser provides is hand-holding. "When the market falls 100 points, you want to have someone to ask, 'Should I sell my funds now?' " says John Treat, head of Old Stone Financial Services, a subsidiary of Old Stone Corp., a Providence, R.I. thrift holding company. Old Stone maintains a list of recommended funds, the Old Stone 100, to assist the clients of financial planners. To get the benefit of Old Stone's wisdom you have to go through a financial planner and pay 2% in fees: 1% to Old Stone and 1% to the planner.

For smart investors, fund advisers are an utter waste of money. Why pay a point or two in fees—that could be several thousand dollars a year—to find the best funds when such information is widely available and easily understandable in FORBES' annual mutual fund survey and in many other publications and books?

Those in a position of fiduciary duty may want a consultant to blame if things don't work out. Admits fund adviser Kurt Brouwer: "People who hire us don't want responsibility. They want a pro watching." That's why small pension or profit-sharing plans are often clients.

So are financially naive individuals with a few hundred thousand dollars to invest—too small a sum for an individual managed account, too big to plunk into a single fund. For the novice investor, fund advisers also frequently perform rudimentary financial planning, such as assessing risk tolerance.

Some of the fund pickers, however, don't offer much hand-holding. They simply attempt to enhance returns by switching in and out of funds or among funds. They have to be very smart to add any value, since the customer is now swimming upstream against another 2% or 3% in annual costs.

And then there is the ultimate absurdity, the fund of funds. FundTrust, a group of four portfolios that invest in other funds, is the brainchild of Michael Hirsch, chief investment officer at Republic National Bank. Hirsch won't speak to FORBES because of a 1984 article he considers uncomplimentary,* but back then he justified the extra layer of expenses this way: "We will overcome the lethargy effect." By that he meant that fund shareholders often stick with a loser too long.

Maybe they do. The best of the four FundTrust funds has delivered an average annual return of 11.5% since its November 1984 inception, against the market's 16.7%.

Why so bad? One reason is the second layer of expenses, which ranged from 1.4% to 1.6% last year, on top of expense ratios on underlying funds. Also, FundTrust sometimes buys load funds, paying a commission of up to 1%. What's more, in February FundTrust tacked on a sales load of its own of up to 1.5%. You now have the dubious privilege of paying not only two expense ratios but two sales loads as well.

The moral here is quite simple, though it may not be what a lot of neophyte investors want to hear. It is that no one should invest who is not willing to do some homework on how to pick a fund you'd feel comfortable with. Delegating to someone else the task of picking a mutual fund is going to cost a lot of money and probably not produce results as good as you could achieve on your own. ■

Manager managers

These managers don't pick stocks; they pick stockpickers. The extra layer of management often comes with an extra layer of fees.

Fund adviser headquarters	Assets under mgmt ($mil)	Fee
B.J. Group Hastings-on-Hudson, N.Y.	$15	1–2%
Brouwer & Janachowski San Francisco	90	0.25–0.75
Fabian Financial Huntington Beach, Calif.	110	3
FundTrust[1,2] New York	187	1.5 load 1.4–1.6 expenses
Old Stone 100 Providence, R.I.	50	2
Right Time Econometrics Jenkintown, Pa.	180	1–2.3
Schabacker Investment Mgmt Rockville, Md.	104	0.6–2
Vanguard STAR[2] Valley Forge, Pa.	628	no load no expenses
W.E. Donoghue & Co. Holliston, Mass.	40	1–2

[1] Includes four funds. [2] Fund of funds.

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* *"The dumbest idea in years,"* FORBES, *Dec. 31, 1984.*

Many investment professionals scoff at investment newsletters. Sorry: So far as results are concerned, the best-performing letters did as well as the best mutual funds.

He who scoffs last

By Mark Hulbert

FOLLOWERS OF investment letters and fans of mutual funds seem to form two distinct subcultures. Letters typically are for activists, people who want to trade their own portfolios. Funds are for people who don't have the time to do that or who think a group of professionals can do the job better than they can. Though perhaps not as true any more with the advent of sector funds, mutual funds have been for the cautious, investment letters for the brash.

The funds versus the newsletters

Using the Forbes mutual fund honor roll approach, the Hulbert Financial Digest constructed a mutual fund-newsletter honor roll.

Mutual fund or newsletter	—Grades— UP	DOWN	Maximum load	Annualized total return
Dines Letter (Short-Term Trading Portfolio)	B	A	2.1%	32.5%
Dines Letter (Growth Portfolio)	B	A	2.1	32.2
No Load Fund-X—Class 3 Funds	A	B	1.0	25.0
Vanguard Windsor Fund	A	A	0.0	24.8
Vanguard High Yield Stock	B	A	0.0	24.6
Dodge & Cox Stock Fund	A	B	0.0	24.4
Lehman Opportunity Fund	B	A	0.0	24.3
Fidelity Destiny Portfolio I	A	B	4.0	24.2
Phoenix Growth Fund	B	A	8.5	23.5
Federated Stock Trust	A	A	0.0	23.4
Phoenix Stock Fund	A	B	8.5	22.8
United Income Fund	A	A	8.5	22.8
Manhattan Fund	A	B	0.0	22.5
Legg Mason Value Trust	B	A	0.0	22.3
Oppenheimer Equity Income Fund	B	B	8.5	22.1
Guardian Park Ave Fund	A	B	8.5	22.1
Boston Co Capital Appreciation Fund	A	B	0.0	22.0
Merrill Lynch Basic Value Fund	B	A	6.5	21.8
Fairmont Fund	B	B	0.0	21.7
New York Venture Fund	A	B	8.5	21.6

In truth, there is considerable overlap between the two groups. Nevertheless, although funds are often rated against funds and investment letters against letters, an objective comparison between the two groups has never been made.

Until now. The gap is bridged in the table below, where funds compete on an equal footing with letters. These winners form a sort of joint honor roll analogous to the honor roll that appears in the annual FORBES fund survey *(Sept. 7, 1987)*. To make the list, data from my monitoring of investment letter performance were married to fund performances based on information supplied by CDA Investment Technologies.

A lot of investment professionals will be annoyed by the results: The investment letters they profess to scorn rank right up there with the best mutual funds, in fact, taking the top three spots.

Mutual funds and investment letters can be complementary, of course. Not infrequently, letters will advise their subscribers to purchase one or more mutual funds in lieu of particular stocks or bonds. And in recent years some of the most successful letters, such as Burton Berry's *No Load Fund-X*, have been created specifically to advise subscribers when to switch into and out of mutual funds.

Still, the question for the long-term investor remains: Are letter writers just as smart as fund managers? To get an answer, I applied the FORBES mutual fund honor roll approach to both. The honor roll rewards not raw performance but performance that is consistently good in both up and down markets. Accordingly, I broke the period from July 31, 1982 to Dec. 31, 1987 into two up and two down markets.

I describe my methodology in the box on the following page. What were the results of my comparison? Seventeen mutual fund portfolios and three newsletter portfolios made the grade. But there were 342 funds for which FORBES had data covering these two market cycles, in contrast to 39 newsletter portfolios for which the HFD had sufficient performance data. The proportion of newsletters making it onto the honor roll thus was modestly

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The 1988 Honor Roll Open

Forbes uses three up periods and three down periods in constructing its annual mutual fund honor roll, but that would mean going back to 1978, two years before the *Hulbert Financial Digest* began monitoring newsletter performance. So I chose to look at only two market cycles.

The two up periods were July 31, 1982 to June 30, 1983 and July 31, 1984 to Aug. 31, 1987, during which times the S&P 500 gained 64.3% and 145.9%, respectively. The down periods consist of the remaining months of this 5½-year period. From June 30, 1983 to July 31, 1984 the S&P 500 lost 6%, and from Aug. 31, 1987 to Dec. 31, 1987 it lost 24.2%. (All these S&P numbers include reinvested dividends.)

The next step was to compare each mutual fund's and newsletter's performance with the S&P 500 in each period. The relative performance numbers were averaged separately for up periods and then down periods. If a fund's or letter's average relative performance in up markets placed it in the top 20% of the entire universe of funds and letters, it received a grade of A for up markets; the next 25% received a grade of B. Down markets were graded in the same way. The honor roll includes only those funds and letters that had a grade of B or better in both up and down markets and that also beat the S&P 500's gain of 188% over the full 65-month period.

This is not quite identical to Forbes' procedure. Besides using three market cycles, the annual fund survey also adjusts the performance data to reduce the possibility of an exceptionally good or bad performance in just one of the market periods to affect the fund's final grade. Weighting of the various periods was different in my four-period study than in the Forbes six-period study. But neither of these differences is likely to affect results significantly.

What about loads and costs? In deriving up and down grades, Forbes does not dock funds for loads. It does, however, require that honor roll members deliver a certain long-term performance after both loads and estimated income taxes are taken into account. My approach was slightly different. In calculating total-return figures, I reduced mutual fund performances by the size of their maximum loads and redemption fees (if any) and reduced newsletter returns by the percentage bite of 65 months' worth of subscriptions to them (assuming an initial portfolio value of $50,000). Fund loads, it is true, are generally reduced for investments above $10,000, but then newsletter subscriptions are generally much lower for multiyear subscriptions, and I figured them at their current regular annual rates.

What about trading costs? Funds' results reflect what they pay out in commissions. In monitoring advice from letters, the *HFD* assumes commission costs, too—at rates typical for individual investors, which will generally be much higher than a fund would pay. The *Hulbert Financial Digest* ratings of letters are designed to reproduce the actual experience of an investor's acting in accordance with their recommendations, allowing for such complications as mail delays, commissions, transaction costs and dividends. They are thus as comparable as I can make them with the mutual funds' real experience.—**M.H.**

higher (7.7%) than that of the mutual funds (5%).

Many newsletters offer more than one portfolio. I allowed individual portfolios onto the honor roll even when a newsletter's average performance, counting all its portfolios, did not qualify. By the same token, a fund can get on the Forbes honor roll even when its sponsor offers a lot of lousy funds as well. For example, from time to time during the 65-month period, James Dines' *Dines Letter* has recommended, besides its two winning portfolios, four additional portfolios that had inferior performances. The *Dines Letter*'s average performance would not have made it onto the honor roll. Similarly, Roy Evans' *Dow Theory Forecasts* has had three additional, weaker, portfolios.

Can a money manager improve his chance of making the honor roll by trying a lot of different portfolios? To a degree, yes. But remember that these ratings cover fairly long stretches, with both bull and bear markets. It's fairly hard to achieve the consistent performance needed merely by rolling dice over and over.

As an investment letter aficionado, I'd like to note a couple of further points.

First, because the Forbes honor roll approach puts such a high premium on consistency, it narrowly excludes two outstanding market-beating letters, Martin Zweig's *Zweig Forecast* and Dan Sullivan's *Chartist*. These services averaged annual gains of 24.4% and 22.6%, respectively, adjusting for the cost of subscription. In absolute performance that puts them 8th and 18th of all 381 funds and letters surveyed. It was for different reasons that these two letters failed to make the honor roll, however. In Sullivan's case, a C grade in down markets kept him off; his grade for up markets was B. In Zweig's case, it was his no-better-than-average gains in up markets (a grade of C) that kept him off; his superb performance in down markets earned him a grade of A+.

Second, a significantly higher proportion of investment letter portfolios (11 out of 33, or 33%) beat the S&P 500 over the entire period since I began monitoring them in mid-1980 than in the period covered in the honor roll exercise (5 of 39, or 13%). I suspect this has to do with the fact that mutual funds have a marketing incentive to be nearly fully invested most of the time, so as to reassure clients that they are getting something in return for their management fee. Letters, by contrast, have a greater willingness to get out of the market or even to go short. This helps in down markets, and the longer period since mid-1980 had more downs than the 1982-87 period studied for my honor roll. Supporting this thesis, my calculations indicate that investment letters on average significantly outperformed mutual funds in the four months after the 1987 high at an annualized rate of more than 8 percentage points.

The inescapable conclusion is that some investment letters are definitely worth listening to. Not all of them, of course, but the same can be said for mutual funds. ■

How cheap is cheap? It depends on what language you are speaking. Herewith, an international investor's guide to comparative price/earnings ratios.

Parlez-vous P/E?

By Peter Fuhrman

A PHRASE BOOK could translate the English term price/earnings ratio. But a German "Kurs/Gewinn Verhältnis" and a Japanese "kabuka/shueki ritsu" have local meanings all their own. Outside the U.S., a P/E can mean something very different from what it does on Wall Street.

In the U.S., earnings forecasts can vary, but there is little disagreement about what earnings are. Not so abroad, where it is accepted practice to doctor earnings with additions to and withdrawals from hidden reserves. In a host of other ways, earnings are distorted by accounting conventions that make it hard to compare values from one bourse to the next. But compare one must, if one has any hope of applying Benjamin Graham rationality to picking stocks rather than simply following crowds.

Jeff Hoppa

Japan. With a market capitalization of $3.5 trillion, the Tokyo Stock Exchange is the world's largest and, by U.S. standards, the most overpriced. The average P/E in Japan is 57.7, and still the locals are in a buying frenzy. It seems they care less about P/Es than they do about batting averages in the American League.

There are legitimate reasons for multiples to be higher in Tokyo. One is that accelerated depreciation is used not only on tax returns but in reports to shareholders as well. Thus, earnings are depressed and multiples made higher than they would be with American accounting. Take Mazda, the Japanese auto company 25% owned by Ford. In fiscal 1987 Mazda earned 4.75 yen a share (about 4 cents), against a price of 530 yen ($4.25), for a P/E of 111. That is far above the ratio for Ford Motor, with a trailing P/E of 5. Add back depreciation to arrive at what is commonly called cash flow, however, and you get a somewhat less dramatic difference. Mazda's cash flow is 75 yen a share, for a price/cash flow ratio of 7. That is still above Ford's price/cash flow ratio of 3, but only marginally higher than the world auto industry average.

Another perspective on the high multiples in Tokyo: Reported earnings figures often exclude earnings of partly owned subsidiaries. Look at another automaker, Honda. At 1,700 yen ($13.50), Honda shares sell at a P/E of 34. But if we consolidate earnings in subsidiaries like 36%-owned Showa Manufacturing and 40%-owned Keihin Seiki Manufacturing, Honda's multiple, according to London broker Philips & Drew, falls to 19.

But those two debating points—cash flow and subsidiary accounting—go only so far in rationalizing the far-out prices in Japan. To soothe foreigners, Japanese brokers have invented a new calculus designed to make Japanese companies look cheap. Some of their arguments would have Benjamin Graham spinning in his grave.

Perhaps the most ludicrous is that earnings per share should be calculated only on the public float. On average, 70% of a Japanese company's outstanding shares never enter the market. They are held in semipermanent escrow by banks, insurance companies and other listed companies. As a result, Japanese analysts would have you believe, a company's earnings are spread over only 30% of the shares outstanding. This lowers the average Tokyo Stock Exchange multiple to 18 times earnings.

To take the most extreme example, by factoring out the 92% of Seibu Railway's shares held off the market by other Seibu Group companies, you can lower its P/E from the stratospheric (846) to the market average (55). Preposterous. If Seibu Railway were liquidated, would the inside holders get nothing and the minority holders claim the whole proceeds? Do the inside holders renounce dividends on their shares? Of course not.

A less ludicrous defense of Japanese share prices is the hidden-asset argument. Japanese industrials are sitting on substantial real estate and securities holdings valued at historic rather than market rates. The average Japanese company sells at 4.6 times book value. If its securities and property were valued at today's high market prices, the argument goes, shares in the same company would be selling at only a slight premium to book value.

Adjusting a book value in this fashion does make sense. But be careful not to ignore the fundamentals of the hidden assets. A piece of prime land in Tokyo the size of this page sells for something in excess of $12,000. Will these prices ever be realized by shareholders, or will real estate prices collapse first? Last year Tokyo real estate prices fell 10% in yen terms.

Be careful, too, about how you consider unrealized gains in shares of other companies. It can be a form of circular reasoning: Company A is more valuable because it owns a piece of Company B, which is more valuable because it owns part of Company A. Thus can we bootstrap the Nikkei average to an infinite valuation—until someone wants to sell escrow shares and the process works as magnificently on the way down.

"No matter what calculations you use, Japanese companies are very expensive," says Jean Brancher, the courtly general manager of Switzerland's Bank S.G. Warburg and an experienced international fund manager. "A P/E is, among other things, a reflection of confidence, and today confidence is as high in Japan as it was in the U.S. during the early 1960s. Then, Kodak was selling for 50 times earnings, just like Japanese companies today. The Japanese market was very cheap, about 5 times earnings. The Americans said, as the Japanese do now, that high prices were caused in part by a scarcity of stock. This is not true. I'm convinced that there will be a major correction at some point in Japan, just as there was in the U.S. in the 1970s."

High and low

There are reasons for Japanese stocks to trade higher than Swiss ones. But this much higher? At four times the price/earnings and price/book?

Country	P/E	Yield	Price/ book value
Japan	57.7	0.5%	4.64
US	13.1	3.9	1.71
Germany	12.4	4.3	1.57
Switzerland	12.4	2.7	1.27
Italy	11.9	3.3	1.44
UK	11.8	4.7	1.75
France	10.3	3.6	1.61
Netherlands	9.4	5.2	1.14
New Zealand	6.2	6.3	1.15

Source: Morgan Stanley Capital International

Germany and Switzerland. Here, unlike Japan, the average multiples are below that of the U.S. market. As in Japan, complications make direct comparisons with U.S. ratios a little difficult. If accounting followed U.S. standards, reported earnings would be as much as twice as great as they are for some companies. For others, they could be a lot lower.

The cultural bias in the U.S. is toward inflating earnings. This supports share prices and fends off raiders. German and Swiss accountants have a different bias. They want to spare shareholders erratic earnings growth. In good years they push profits into various valuation reserves, hidden accounts and pension funds. They can reverse the transfers in bad years.

The shares of Switzerland's largest bank, Union Bank of Switzerland, look not unattractive at a current multiple of 16. But the shares suddenly become much more appealing when we apply U.S. accounting principles to value Union Bank earnings. PaineWebber analyst Rodney Schwartz calculates that shareholders' equity and net income would double if the bank used the accounting used by Citicorp or J.P. Morgan. If so, Union Bank, one of only seven AAA-rated banks in the world, sells for a very low 8 times earnings.

Schwartz says one way the Swiss bank understates income is by overreserving for loan losses. Like Japanese companies, Swiss companies, too, often use dividend rather than equity accounting for their subsidiaries, which keeps undistributed earnings off the balance sheet.

But hidden reserves cut both ways for a shareholder. If Union Bank's business takes a turn for the worse, we may never know it. It could inflate earnings by dipping into reserves.

What about hidden assets of German and Swiss companies, such as unrealized gains on real estate and securities? They may be substantial, but there is no way for shareholders to unlock them. Unfriendly takeovers are all but impossible in Germany and Switzerland. As in Japan, there are large cross-holdings insulating managers, such as Deutsche Bank's 28% holding in Daimler-Benz.

One more point: Switzerland and Germany both have slow-growing economies, one good reason their markets deserve to sell at a lower multiple than the U.S.'

France. France has a share-loving populace and lots of takeover activity. French accounting is roughly analogous to our own, and the average multiple is only 10.3. France's second-largest company, Peugeot, sells at less than three times trailing earnings. One negative is the country's toleration of insider trading and market manipulation. Another is the reelection of François Mitterrand.

Italy. It doesn't look too unattractive at 11.9 times earnings, especially when you consider its bustling economy. Unfortunately, with but one exception, each of the country's 20 largest companies is controlled by a single majority shareholder. What happens in a takeover? When Italy's third-largest company, Ferruzzi, took over chemical giant Montedison, it privately purchased a controlling share for 50% above the price offered to public shareholders. Now Montedison's irate public shareholders are being forced to accept the exchange of a Montedison subsidiary for some new, overpriced Ferruzzi shares. The Italian stock market is best appreciated by lovers of operatic melodrama.

Netherlands. This market, with an average multiple of 9.4, offers some of the best values. The Amsterdam exchange is the most concentrated of the world's major bourses. Three widely held Dutch giants—Royal Dutch/Shell, Unilever and Philips—make up almost 60% of the total market capitalization. Philips and Shell are both excellent investments by any standards, offering high yields (7.1% and 5.8%, respectively) and fairly strong earnings momentum.

New Zealand. A low P/E and high yield are more than offset by a weakening currency and a fairly dismal economic outlook.

No simple set of rules, and no table of ratios, will predict which markets will do best over the next several years. Investing is a matter of relative values. How does some stock look relative to this average or that historical norm? Before buying into any foreign company, at least educate yourself about P/Es in that company's home market. ■

Japanese bonds paid off handsomely for investors over the past year. A top-performing fund manager tells where he thinks the action will be now.

What Bangor is buying

By Edwin A. Finn Jr.

OVER THE LAST 12 months, few safe investments worked out better for investors than high-grade Japanese bonds. Sure, they paid what looked like anemic yields: about 4.5%. But since they were denominated in the fast-climbing yen, their market value rose in terms of the U.S. dollar. Combining interest, price gains and currency appreciation, Japanese governments returned 15% for U.S. investors.

Stacked against returns like this, the 6.5% total return last year on U.S. Treasurys looked sick.

Okay, so you want a piece of the action. You think the dollar will continue weak, and you want to buy bonds denominated in a foreign currency.

Which ones? For an answer we went to Nimrod Fachler, one of the sharpest international traders around.

Global bond funds

For diversification and low transaction costs, you are better off buying a fund than individual foreign bonds—unless you have a million dollars to invest.

Fund	—Largest global bond funds— assets[1] ($mil)	12-month return[2]
PaineWebber Master Global Income	$856	21.4%
T Rowe Price International Bond	454	13.9
Merrill Lynch Retirement Global	334	13.8
Massachusetts Financial Intl Bond	177	14.5
Shearson Lehman Global Bond	164	7.0
International Cash-Global Cash	132	11.8
Templeton Income	129	6.9
Fidelity Global Bond	103	10.9

[1] As of 3/31/88. [2] Through 4/28/88. *Source: Lipper Analytical Services Inc.*

Returns in the foreign bond market will be tougher to come by this year, says Fachler, portfolio manager of PaineWebber Master Global Income Fund, the biggest and, for the 12 months ended Mar. 31, best-performing fund of its kind.

Fachler isn't saying the game is over. Just that with the yen, for example, having doubled in value against the dollar over the past three years, most of its action is behind us. Fachler is still confident that he can beat U.S. government bonds for a while longer by going abroad. How he plans to do it says something about the skills investors need if they want to play the international bond market on their own.

Fachler projects that the dollar will drop a further 10% against most currencies before it turns around. To make the most of this situation, he's picking his countries carefully. In Australia, Denmark, Ireland and Spain, he says, coupon rates run anywhere from five to eight percentage points higher than those offered by the stingy Germans and Japanese. Yet inflation in the former countries isn't likely to be that much worse than inflation in Japan, Fachler says. That makes the higher coupons worth the currency risk.

Just such reasoning helped Fachler's fund to a 22.2% return in its first year of operation, which ended Mar. 31. Fachler added to his results with short-term currency plays based on news events, such as politics in Australia or announcements about Britain's government budget.

Fachler hopes strategies like these can deliver returns of 15% to 20% in his second year of operation. That compares with the 9% return that will come from long-term U.S. Treasurys over the next year, assuming interest rates in the U.S. stay where they are now.

There's money to be made by bond buyers who get into a weak currency just before the country concerned starts moving to stricter financial controls. And this is something that one can eventually count on to happen in almost any strong economy where the currency is weak. Why? The increasing flow of investment money across national borders is forcing policymakers to curb their spendthrift ways by slowing growth in the money supply, cutting government deficits, raising interest rates. Once they do, the local currency strengthens. Get in before it does, and you can nail down a nice capital gain.

Examples of currency geopolitics abound. The clearest case was that of François Mitterrand, who was elected president of France on his socialist pledges to nationalize large French companies. This led to a pullout of international funds, causing the French franc to weaken and French interest rates to edge up.

Before long, Mitterrand was sounding more centrist, and he has remained that way right through his recently successful election campaign. Similar capital outflows forced government austerity in Australia and New Zealand. Now international investors are asking whether the U.S. will soon be forced to trim its budget as well.

From his office near Rockefeller Center in Manhattan, sitting beneath a three-foot inflatable globe, the 35-year-old Fachler monitors inflation rates, interest rates and politics worldwide. The key barometer is inflation, which suggests the strength or weakness of a country's currency. A high inflation rate generally means a country's currency is headed for a slide. That makes it crucial to look at a foreign bond's expected real yield, which is the coupon interest rate adjusted for inflation. The exact arithmetic is a little bit trickier, but a fairly good approximation of this real yield can be obtained by subtracting the inflation rate from the annual bond yield.

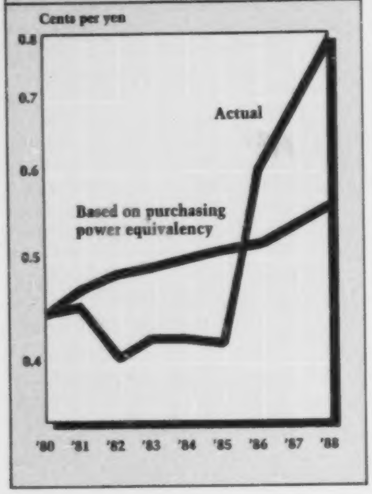
It's no accident, then, that the world's strongest currencies are in Japan and Germany, where annual inflation rates are running at about 1%. But Fachler feels that bond yields from those countries—at 4.5% and 6.5%—aren't high enough. Instead he goes for bonds denominated in currencies like the French franc, the Norwegian krone and the Danish krone. These currencies may not appreciate against the dollar as much as the mark or the yen over the long run, but, boy, they make up the difference many times over on yield. Danish long bonds, for example, yield some 12%, and Fachler feels that the currency is al-

Alex Quesada/Matrix

Nimrod Fachler, manager of the PaineWebber Master Global Income Fund
"I try to find cases where people's perception differs from reality."

Is the yen overpriced?

By one measure, it is. Since 1980 the yen has by far overcompensated for the greater inflation in the U.S than in Japan. The yen may, of course, continue its upward trajectory, but if it comes down, yen bonds will turn sour for U.S. investors.



most a proxy for the German mark.

Fachler also draws on his study of politics and European history. "I try to find cases where people's perception differs from reality," he says. "That's where you find buying opportunities." Last year Fachler made his best returns—more than 50%—in Ireland, of all places. The general perception of the Irish economy was that it was weak, inflation-ridden and badly in need of outside financing. But Fachler looked at the numbers and found the Irish to be in remarkably good shape. This, at a time when their bonds were yielding 13%.

Australia is a similar case. Americans recall getting burned on Australian bonds in 1985. The Aussie bonds were paying about 14% interest, but then the currency crashed 30% because of the government's spendthrift ways. The Australian dollar took another bad fall in 1986.

Few foreign investors fully appreciated the budget tightening subsequently undertaken by Treasurer Paul Keating. Those who did bought bonds yielding 14% in March 1987 and got a 25% kick from the rising Australian dollar. Fachler did well in Australia and right now keeps 34% of his portfolio invested there. He expects the Aussie dollar to move up some 5% against the U.S. greenback this year.

What are Fachler's sources? Travel and telephone mostly. "I get my information from people, not from newspapers," he says. One morning this year he was watching wire service reports on the U.S. bombing of Iranian oil platforms and ships in the Persian Gulf. World War III be damned, Fachler was watching his British bonds as they moved up smartly in reaction. Why? Britain's large oil holdings are beneath the North Sea, safe from the Mideast turmoil.

Earlier this year Fachler had to keep an eye on Denmark's political debate over how to keep nuclear ships out of Danish waters. The issue forced the election of a new government, which many feared would be socialist. That fear has subsided, and Fachler's Danish bonds strengthened.

Currency plays used to be a game for experts. But now, with world markets interconnected as they are and no nation a world unto itself, quite ordinary people are hedging and speculating against currency changes. One of the biggest sellers of Fachler's fund, on a per-broker basis, has been PaineWebber's Bangor, Me. office. Why Bangor? "This is really a conservative fund, and people in these places like to be conservative with their money," Fachler replies. One PaineWebber broker in the hinterland explains his selling technique: "I can tell if I have a sale in eight seconds. I call a guy up and say, 'Are you worried about the falling dollar?' If he says 'yes,' I know I have a sale."

Are you worried about the falling dollar? Do you feel that playing international currencies and interest rates through foreign bonds is a sound way to protect yourself? If so, how do you buy foreign government bonds? They come in small denominations, but some brokers tell their customers not to try to buy less than $50,000 worth at a time. To spread risk among several countries and keep commissions low, investors really need a million dollars. They also need to keep an eye on the news ticker. What if the world's finance ministers agreed to fix exchange rates? For most people, then, an international bond fund is the handiest way to play the currency sweepstakes. *(See a list of a few of the largest funds, p. 278.)* ■

If you want a really hard currency, look at Swiss stocks. Here are some hints to follow and pitfalls to avoid, from the astute managers of the Helvetia Fund.

Even Americans can yodel

By Richard Phalon

OLD SWISS BANKERS never die, they just lose interest, you say? Well, the Hottingers of Zurich have been in the business for more than two centuries now *(see box, p. 284)*, manage in excess of $1 billion of assets and are still capable of coming up with new wrinkles to capture investors' interest.

The newest and most visible manifestation of the Hottingers' interest in the U.S. is the Helvetia Fund. Its short but eventful life establishes two truths: 1) The prim Zurich Stock Exchange is no more immune to panic selling than the racetrack markets of Asia; 2) well-capitalized pros like the Hottingers prosper by clinging to a long-term point of view.

This closed-end, designed to make it easier for outsiders to slip through the barriers that fence off the Swiss

Some new issues—alas, a minority of them—are good investments. Don't play in this market unless you have the time and patience to do a lot of homework.

When the broker calls with a hot new issue

By Charles M. Bartlett Jr.

FROM 1982 THROUGH Apr. 29, 1988, during the second-greatest bull market of the century (after 1932-37), investment bankers raised $63.5 billion for America's entrepreneurs by taking 3,998 companies public. Good for the economy. Good for the companies. Good for the bankers, who kept $5.5 billion of the total as underwriting commissions and fees.

But how good was all this money raising for investors? Not very. A scan of the FORBES new-issue database establishes that the 1982-88 crop, on average, underperformed the stock market as a whole. This computation, moreover, excludes penny stocks, which tend to be the most highly manipulated and have the worst long-term results.

For our six-year study, we looked at 1,876 companies that went to the market priced at $1 or more and raised a minimum of $5 million. These larger issues raised from investors $58.8 billion, of which the investment bankers took $3.3 billion in fees. What's the market value of that $58.8 billion today? Only $64.5 billion, a 9.7% gain. You'd have done better in Treasury bills.

Only 773, or 41%, of the issues recently were selling for more than their original offering price. If new issues are compared with the stock market averages, the results are even worse. About two-thirds didn't do as well as the Standard & Poor's 500 between the date of issue and our closing date of Apr. 29. In fact, 5% of the companies went bankrupt, and 28% of the issues were down at least 50% from their offering price. A third of them left the investor with less than half the sum he'd have had holding the S&P 500 over the same period. The average relative-to-market performance was a dismal –13.6%. All of these comparisons, by the way, exclude dividends, which are much better on established S&P 500 companies than on new issues.

Patrick McDonnell

Something, nevertheless, keeps investors coming back to the new-issue market—memories of the rare jackpot. The best-performing new issue of the six years was King World Productions, distributor of such television fare as *Wheel of Fortune*, *Jeopardy* and the *Merv Griffin Show*. A $10,000 investment in King World in 1984 is now worth $115,500.

Three of the best-performing 15 companies *(see table on bottom of p. 292)* also made one of FORBES' annual lists of the 200 Best Small Companies in America: Juno Lighting, Dress Barn and Par Pharmaceutical.

How do you separate the gold from the dross? Reading the prospectus carefully is a nice start. If the company has no appreciable sales, marketable product or earnings history, the prospectus is usually clear on these points. They should be red flags to the careful investor.

The other key measures to look at are the price/earnings ratio and dilution, which is the difference between what you pay for a share and the post-offering book value. Juno Lighting, number 5 on our top 20, went public in June 1983 at $12.75 a share, a hefty premium over the post-offering book value of $3.54. But at least the investor got some strong earning power. The P/E was only 12.5.

Westchester Financial Services, number 7 among the winners, is a savings bank that went public in a 1984 conversion from mutual ownership. Westchester Financial had no meaningful price/earnings ratio because a writeoff put it in the red. But there was no dilution. Quite the contrary: Westchester's investors paid $9.38 to get a share with $15.62 in book value.

Contrast those winners with Worlds of Wonder. This talking-bear firm came out in June of 1986 at $18 a share, with a P/E of 42 and a dilution of 81%. Recent price: $1. Victor Technologies, a computer manufacturer offered by L.F. Rothschild in 1983 at $17.50, is now valued in our database, charitably, at 2 cents. Another loser was the now-scandal-ridden Wedtech of the Bronx, from underwriter Moseley Securities in 1983.

Several losers were themselves underwriters. Among them was L.F. Rothschild, which went public in 1986 at $20.50 and was acquired by Franklin Savings Association this year at $2.10. Then there was Rooney, Pace, a stock jobber that raised $18 million for itself in 1983 at $8 a share. Before Rooney, Pace collapsed, wiping out common shareholders, it brought the world ZZZZ Best, a Los Angeles carpet cleaning company. ZZZZ's briefly celebrated 20-year-old chairman, Barry Minkow, as it turns out, cleaned out his shareholders and creditors.

How the investment banks performed

Investment banks with at least 10 issues brought to market between 1/1/82 and 4/29/88 are ranked by the percentage of their IPOs that outperformed the market. We include only issues of at least $5 million.

			Percentage of issues that		Average performance	
Rank	Underwriter	Number of issues	beat the market	went up	relative to market*	actual
Best						
1	**Morgan Stanley**	56	61%	63%	15.5%	45.3%
2	**Self**	85	59	60	5.5	17.4
3	**First Albany**	11	55	55	2.9	37.6
4	**Butcher & Singer**	13	54	31	–12.2	5.4
5	**Interstate Securities**	16	50	50	–7.4	2.7
6	**Chicago Corp**	12	50	42	–0.9	34.3
7	**PaineWebber**	83	48	55	4.4	31.4
8	**Moseley Securities‡**	23	48	48	0.0	20.2
9	**JC Bradford**	17	47	47	9.9	54.2
10	**First Boston**	56	46	50	4.3	35.3
Worst						
60	**Rauscher Pierce Refsnes**	14	7	21	–35.0	–14.2
59	**Rotan Mosle†**	11	9	9	–52.8	–41.2
58	**Bateman Eichler**	11	9	36	–45.2	–22.9
57	**Rooney, Pace‡**	15	13	20	–57.5	–41.9
56	**Hambrecht & Quist**	73	18	33	–34.9	–6.1
55	**Prescott Ball & Turben**	16	19	38	–34.9	–11.9
54	**Ohio Co**	10	20	10	–38.8	–27.1
53	**Tucker Anthony & RL Day**	20	20	35	–18.2	–9.3
52	**Janney Montgomery Scott**	10	20	40	–29.0	–3.9
51	**Dain Bosworth**	24	21	29	–28.3	–6.6

*The percentage by which the ending value of $100 invested in the stock exceeds the ending value of $100 invested in the market. †Subsidiary of PaineWebber. ‡Chapter 11.

Whence come the best new issues? In the table above, we rank the investment bankers by the percentage of their stocks that outperformed the S&P 500.

Number one is Morgan Stanley, the once stodgy investment banking firm that of late has been leaving mighty houses like Salomon Brothers in the dust in terms of efficiency, deals and earnings potential. Almost 61% of the 56 companies it brought public outperformed the S&P 500. Among its stars: Jefferson Smurfit, in paper and packaging, up 385%; 3-COM, communications, up 231%; and Acuson, medical imaging, up 225%.

Self underwritings, issues that were brought public by the issuers themselves, outperformed every investment banking house but Morgan Stanley. Surprising? Only until you realize that a good number of these self underwritings were savings and loans converting from mutual ownership. In many cases they gave their depositors first crack at the stock in the conversion, so the numbers we compute for overall new-issue performance are, if anything, slightly too kind to the new-issue market.

As in previous surveys, we found that some of the best new-issue product comes from regional firms. Perhaps keeping close to your suppliers is an advantage in this business. Five of the top 10 underwriters are small, regional firms *(see table, above)*. Buying from an underwriter with a good performance record is no guarantee of success, but it surely beats buying from an underwriter with a terrible record.

Special Situations

The biggest underwriters

Shearson and the brokers it has acquired have managed 288 initial offerings since January 1982. Below, the 10 largest underwriters.

Rank	Underwriter	Number of issues	Percentage of issues that		Average performance	
			beat the market	went up	relative to market*	actual
1	**Shearson Lehman Hutton**	115	42%	51%	–3.9%	21.4%
	EF Hutton	95	39	53	0.8	46.6
	Robinson-Humphrey	45	33	44	–14.3	5.6
	Lehman Bros Kuhn Loeb	31	29	55	–16.1	41.6
	Foster Marshall-Am Exp	2	50	50	–6.7	81.3
2	**Merrill Lynch**	180	43	49	–7.6	16.2
	Becker Paribas	27	26	52	–30.2	27.7
3	**Alex Brown & Sons**	140	43	45	–7.7	12.6
4	**Drexel Burnham Lambert**	137	37	42	–12.6	3.4
5	**Kidder, Peabody**	87	37	43	–10.8	16.6
6	**PaineWebber**	83	48	55	4.4	31.4
	Rotan Mosle	11	9	9	–52.8	–41.2
7	**LF Rothschild**	82	28	35	–19.8	14.9
8	**Goldman, Sachs**	80	39	49	2.4	23.0
9	**Prudential-Bache**	80	23	33	–28.3	–5.5
10	**Dean Witter Reynolds**	76	38	50	–7.1	33.6

More important is the homework you do in comparing a new issue to established issues in its industry. Analysis is always key to success in investing, but that goes double for new issues. The reason is that the market for established companies is rendered at least fairly rational, if not perfectly efficient, by the constant buying and selling by institutions, astute individuals and professional short-sellers. Ford Motor could go way up or down from its recent price of $49, but chances are that an intelligent appraisal of its prospects would not find the company worth only half that $49.

The same cannot be said for a new issue, which can be peddled to naive investors for several times its intrinsic value if the brokers work the telephones hard enough. If you're not prepared to spend several hours with the prospectus for a new issue, or if you don't have a good feel for how to compare a company's fundamentals with those of its competitors, don't buy. ■

The best performers

Below, the 15 best-performing new issues from 1/1/82 through 4/29/88, based on actual performance. We have not counted issues that were offered below $1 or that raised less than $5 million.

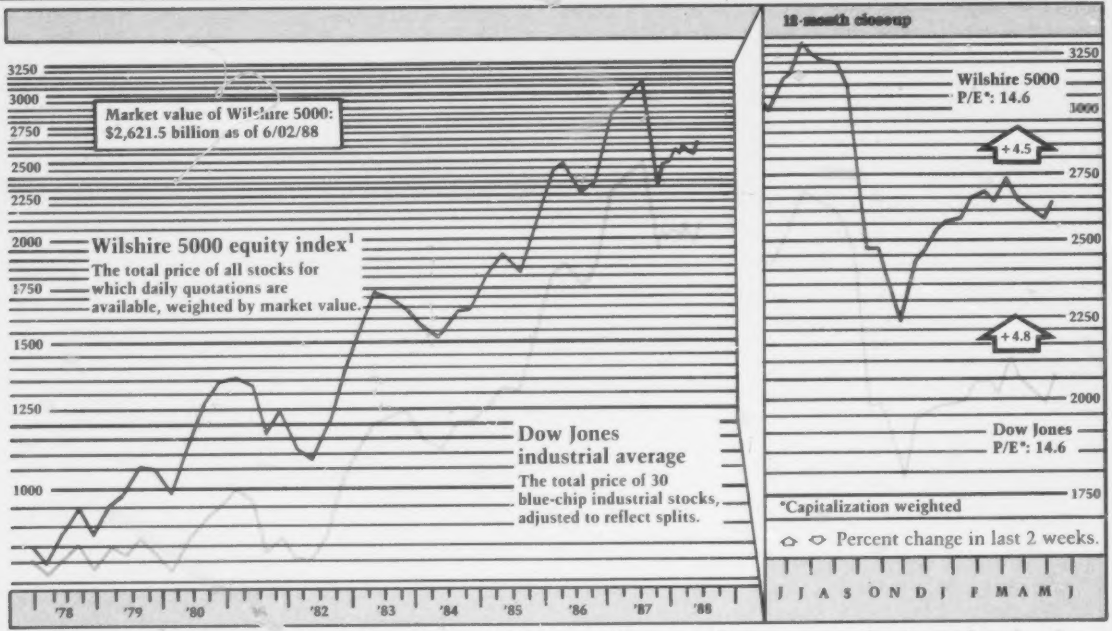
Company/business	Offer[1] price	Recent price	Offer value ($mil)	Offer date	—% gain—		Underwriter
					actual	relative to market*	
King World Productions/film dist	$1.67	19¼	$12.5	12/5/84	1,055%	616%	PaineWebber
Washington Federal/savings & loan	2.88	25	11.1	11/9/82	856	423	EF Hutton
AL Williams Corp/insurance-life	1.60	14⅛	8.9	7/7/82	783	262	Self
Autodesk/computer software	3.67	28¼	15.4	6/28/85	670	466	LF Rothschild
Juno Lighting/lighting fixtures	3.19	20⅝	8.3	9/1/83	547	307	William Blair
Adobe Systems/computer software	5.50	35	5.5	8/13/86	536	498	Hambrecht & Quist
Westchester Financial[2]/savings bank	9.38	53	15.0	3/12/84	465	238	First Bos; Shearson; Thomson McKinnon
Dress Barn/apparel stores	2.00	12½	23	5/4/83	444	240	Lehman, Kuhn Loeb
Total System Services/bank card process	3.33	18	7.5	8/10/83	440	234	JC Bradford
Home Owners Svgs & Loan/savings & loan	2.96	15½	7.3	5/25/84	423	203	Bear, Stearns
Par Pharmaceutical/drugs-generic	3.33	17⅜	8.2	12/2/83	421	230	Ladenburg Thalman
Microsoft/computer software	10.50	54½	58.7	3/13/86	419	363	Goldman, Alex Brown
Sigma Designs/computer products	2.88	14½	5.7	5/17/86	404	349	Laidlaw Adams & Peck
Coastal Savings Bank[3]/savings & loan	7.38	36¾	5.0	7/3/84	398	193	Pru-Bache; Burgess & Leith
Westwood One/radio systems	4.60	22¾	14.5	4/26/84	394	203	Hambrecht & Quist

*The percentage by which the ending value of $100 invested in the stock exceeds the ending value of $100 invested in the market. [1] Per common share; adjusted for splits. [2] Acquired by Marine Midland. [3] Acquired by Suffield Financial.

Sources: Forbes; IDD Information Services; Wilshire Associates.

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Good news bears. Bad news bulls. With more than half of all investment advisers bearish, it was no surprise that the stock market moved higher. The activity, however, was focused on large-capitalization issues. Over the last two weeks the Dow moved up 4.8% and the NYSE gained 4.7%. Amex and Nasdaq shares were up 2.5% and 2.3%, respectively.

Corporate earnings were up sharply in the last quarter. While the Wilshire index of nearly 5,700 securities posted a 4.5% gain in the last two weeks, its P/E based on latest 12-month earnings fell from 15.1 to 14.6. The unexpected strength of the economy in the first three months of the year had caused worries on Wall Street about a resurgence of inflation. The news that April consumer spending was flat helped to set off a 75-point Dow rally.

These are the times that try common sense—when strength in the economy is cause for worry and flat sales are taken as reason to cheer.

Closeup On the Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	1.8	2.6	1.6	2.2	–1.1	–1.3
in last 52 weeks	–9.9	–9.9	–12.2	–9.9	–9.1	–10.2

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	2.3	0.3	1.7	1.8	–0.2	–0.7	1.9	1.0	0.6	1.4	1.0	–0.6
in last 52 weeks	–4.2	16.2	14.8	5.6	–4.2	–1.3	0.0	20.3	14.4	4.7	–1.0	13.1

[1] Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2] Based on sales. [3] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

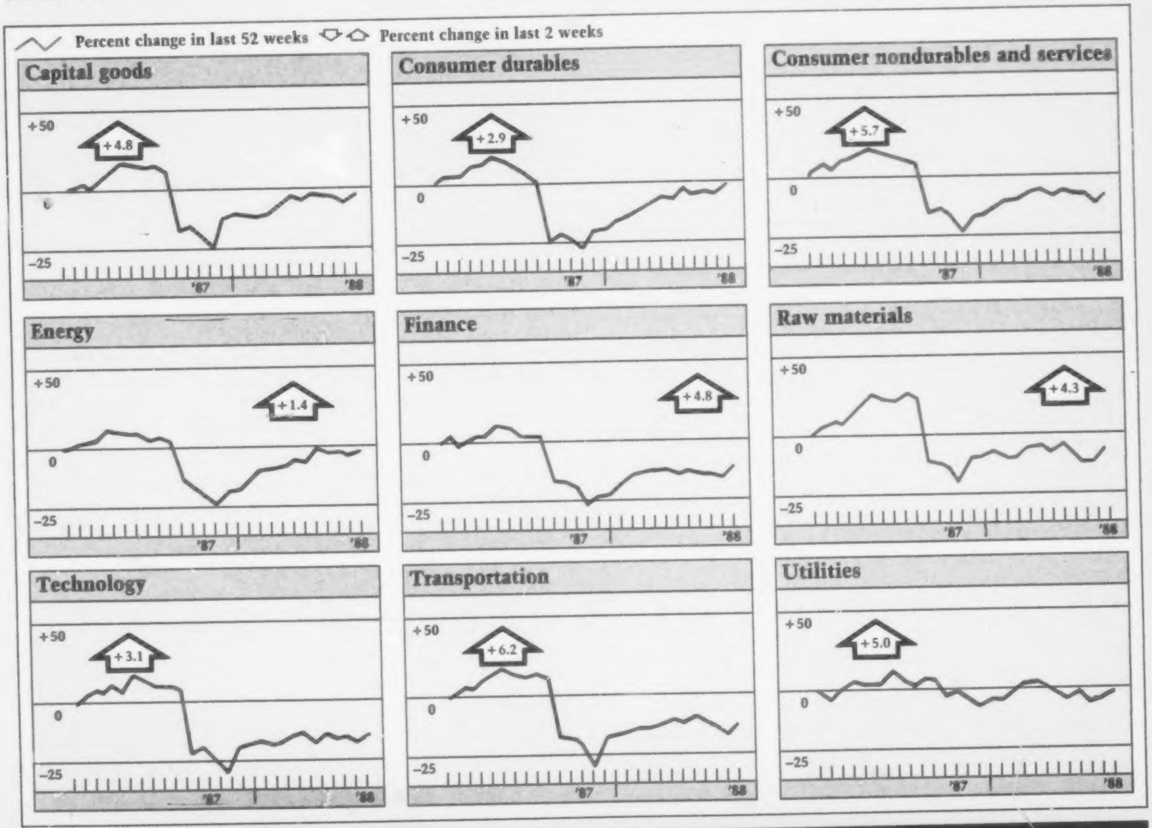
Steven Ramos

Note: All data for periods ending 6/02/88. Prepared by Wilshire Associates, Santa Monica, Calif.

Where the Action Is

Short circuit. The technology group shows an 18.3% loss over the last 52 weeks. Since the market peaked late last August, technology stocks are off more than 27%. Prior to the crash many technology stocks were selling at outrageous price-to-earnings and price-to-sales ratios *(see p. 210)*. Many of these stocks now sell well below their former levels.

Sector results, remember, are capitalization-weighted. It's the big companies' performance that hurt. IBM, recently trading at 112⅝, was going for 172 when the market peaked last August. With more than 597 million shares outstanding, the 34% decline in IBM removed more than $35 billion in market value, 28% of the technology sector's decline.



What the Analysts Think

Estimates are climbing for consumer durables and energy. In the past four weeks analysts upped 1988 estimates for the two groups by 7.9% and 4.6%, respectively. Occidental Petroleum shows the biggest percentage change among energy stocks, with estimates of its per-share earnings rising 44% in the past four weeks, from $1.04 to $1.50.

Forecasting the Forbes Sales 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.79	13.6
1988 estimates	3.56	10.6
1989 estimates	3.94	9.7

Rank based on change in estimate	Sector	Estimated 1988 EPS	Estimated 1988 P/E	% change in 1988 estimate in 2 weeks	% change in 1988 estimate in 4 weeks
1	Consumer durables	$4.35	11.8	3.74%	7.88%
2	Energy	2.99	12.9	3.12	4.61
3	Raw materials	3.02	10.4	2.68	4.70
4	Transportation	2.48	10.9	0.57	0.73
5	Capital goods	2.58	14.3	0.31	0.92
6	Technology	2.87	11.6	0.24	0.62
7	Consumer nondurables	2.54	12.6	0.00	0.03
8	Utilities	2.41	10.0	–0.33	–0.46
9	Finance	3.43	8.0	–0.53	–0.29

Earnings projections are capitalization-weighted consensus estimates from over 3,000 security analysts. Data are compiled and updated continually by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 6/02/88. Prepared by Wilshire Associates, Santa M [illegible] a service of Lynch, Jones & Ryan, New York.

6/29/88

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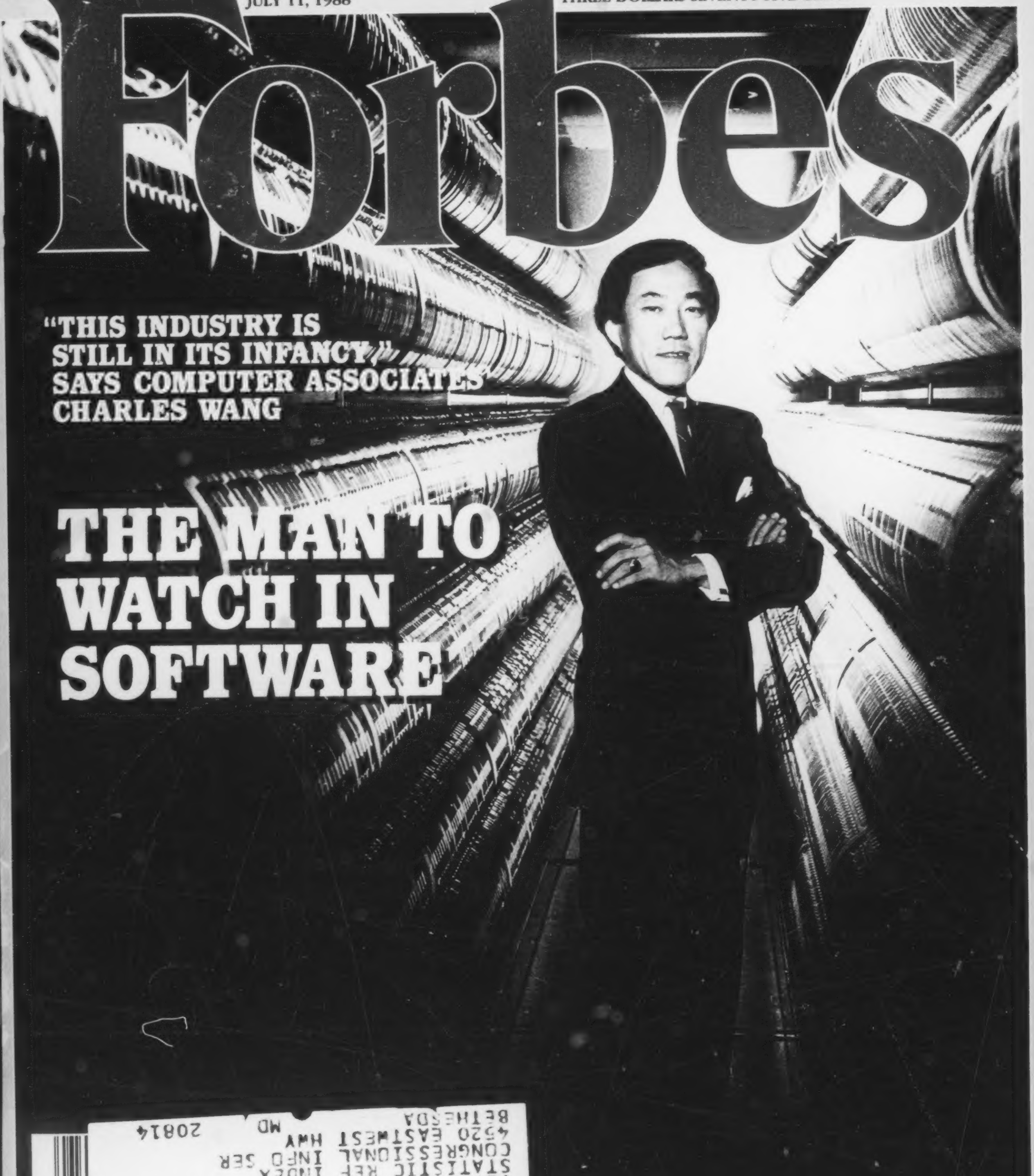
TAXI!—SIGNS OF CHANGE IN A NASTY BUSINESS

STOCKS AT A DISCOUNT—BARGAINS IN CLOSED ENDS

JULY 11, 1988

THREE DOLLARS SEVENTY-FIVE CENTS

Forbes



"THIS INDUSTRY IS STILL IN ITS INFANCY," SAYS COMPUTER ASSOCIATES' CHARLES WANG

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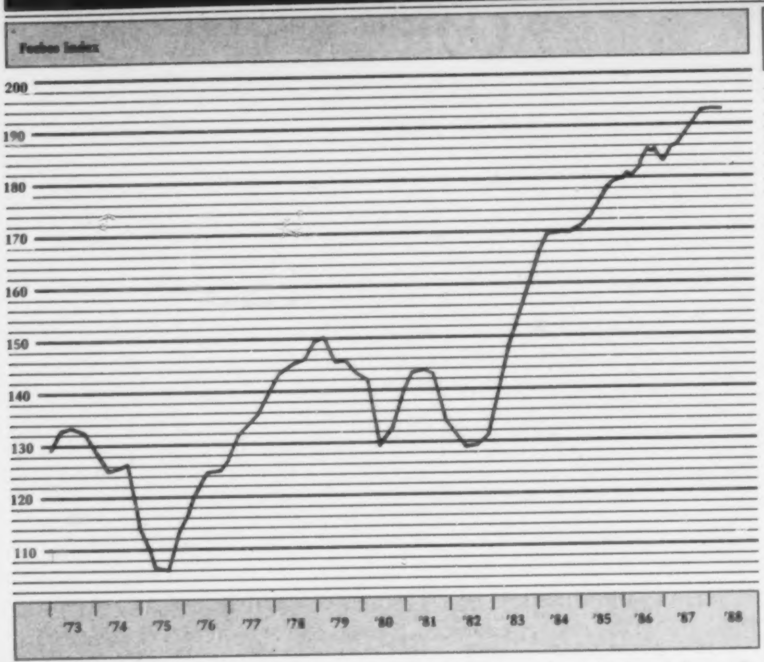
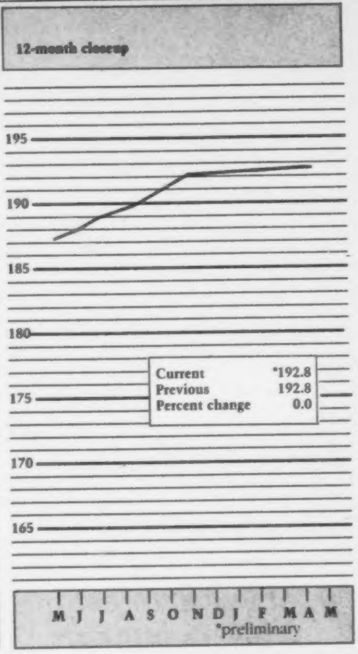
The Forbes Index





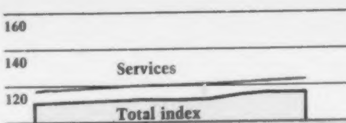
Adverse weather. The severe Midwest drought has caused a sharp upsurge in the price of agricultural futures but, as yet, is having little impact on consumer food prices. Meanwhile, the housing market remains sluggish. New housing starts fell 9% from April to May and are off almost 12% from May 1987. The first quarter of 1988 was the worst quarter for homebuilding in six years.

Industrial production, marking its eighth straight monthly advance, rose to a record $136 billion. But retail sales crept up only 0.1% in May. One explanation for the paltry increase is the level of consumer indebtedness. The latest figure for consumer installment credit, $633 billion, is 8.5% higher than it was a year ago. Over the same period personal income increased only 6.9%.

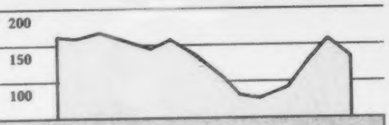
The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

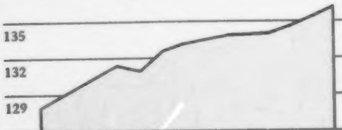
To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



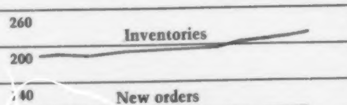
Consumer price indexes (1982-1984 average = 100) all urban consumers, unadjusted (Dept. of Labor)



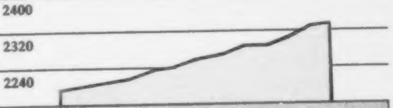
New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)



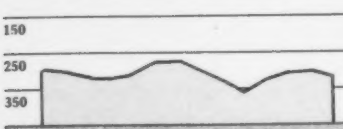
Industrial production index (1967 = 100) seasonally adjusted (Federal Reserve)



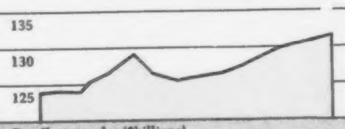
Manufacturers' new orders and inventories ($billions) seasonally (Dept. of Commerce)



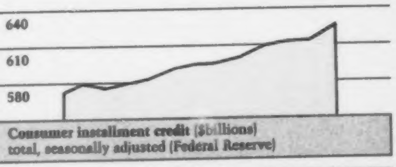
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)



Retail store sales ($billions) seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

Beaune, Clos des Mouches, Joseph Drouhin 1986 ($45). *Red Bordeaux:* Domaine de Chevalier 1983 ($40); Les Forts de Latour 1976 ($33); Les Forts de Latour 1978 ($55); Château Talbot 1978 ($21); Château Lynch Bages 1983 ($25).

Air France, which changes its Concorde *carte des vins* monthly, is currently serving the following *Champagnes:* Cuvée Laurent Perrier Grand Siècle ($50). *White Burgundy:* Chassagne Montrachet 1982 ($35); *Red Burgundy:* Corton 1984 ($28). *Red Bordeaux:* Château Couvent des Jacobins 1982 ($35). *Sauternes:* Château Rieussec 1984 ($7).—**W.G.F.**

Sotheby's Art Market Trends

Index sectors	May 1988	One month ago	One year ago	Two years ago	Five years ago	One month % change	One year % change	Two year % change	Five years % change	Five years Average annual % change
Old Master paintings	373	373	329	303	212	nil	+13.4	+23.1	+75.9	+12.0
19th-century European paintings	347	333	303	249	185	+ 4.2	+14.5	+39.4	+87.6	+13.4
Impressionist & Post-impressionist art	1,091	723	521	380	267	+50.90	+109.4	+187.1	+308.6	+32.5
Modern paintings (1900-1950)	1,090	757	544	364	245	+44.0	+100.4	+199.5	+344.9	+34.8
Contemporary art (1945 onward)	728	609	597	524	366	+19.5	+21.9	+38.9	+98.9	+14.7
American paintings (1800–pre-WWII)	958	871	698	667	452	+10.0	+37.2	+43.6	+111.9	+16.2
Continental ceramics	407	407	320	284	263	nil	+27.2	+43.3	+54.8	+ 9.1
Chinese ceramics	684	581	550	493	445	+17.7	+24.4	+38.7	+53.7	+ 9.0
English silver	388	388	343	314	209	nil	+13.1	+23.6	+85.6	+13.2
Continental silver	260	220	201	190	156	+18.2	+29.4	+36.8	+66.7	+10.8
American furniture	469	469	451	333	239	nil	+ 4.0	+40.8	+96.2	+14.4
French & Continental furniture	355	324	299	285	249	+9.6	+18.7	+24.6	+42.6	+ 7.4
English furniture	720	657	594	447	282	+ 9.6	+21.2	+61.1	+155.3	+20.6
Aggregate index*	650	517	430	351	259	+25.7	+51.2	+85.2	+151.0	+20.2

Basis: 1975 = 100 ($).

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*Contemporary art was added to the Art Index in September 1987. The aggregate index excludes this category prior to that date.

Sotheby's Art Market Trends reflect subjective analyses and opinions of Sotheby's art experts, based on auction sales and other information deemed relevant. Nothing in Sotheby's Art Market Trends is intended as investment advice or as a prediction or guarantee of future performance or otherwise.

Index highlights

Exceptional auction results in May boosted the aggregate art index figure by 133 points. The rise in Impressionist and modern art alone accounted for 80% of this increase.

New price benchmarks for Impressionist and modern artworks were set for a number of artists, among them the leading names of the era, such as Cézanne, Degas, Matisse and Renoir. Sculpture produced excellent results too. A bronze statue of a ballerina, "Petite Danseuse de Quatorze Ans" by Edgar Degas, fetched $10.12 million, the highest auction price ever paid for sculpture. And a Japanese buyer set a new record for Cézanne, paying $9.24 million (almost double the estimate) for "La Cote du Galet à Pontoise."

Japanese buyers purchased about one-quarter of the major works. No doubt the prices in yen seemed competitive compared with prices in dollars.

Contemporary art has also been going from strength to strength, with several new records set. "Search" by Jackson Pollock sold for $4.84 million, establishing a record not only for the artist but for any contemporary work of art at auction. Another painting by Pollock, "Number 20, 1949," fetched $1.76 million. Both examples were acquired by Japanese buyers, underlying their continuing interest in contemporary art and the influence of the strong yen.

Sotheby's

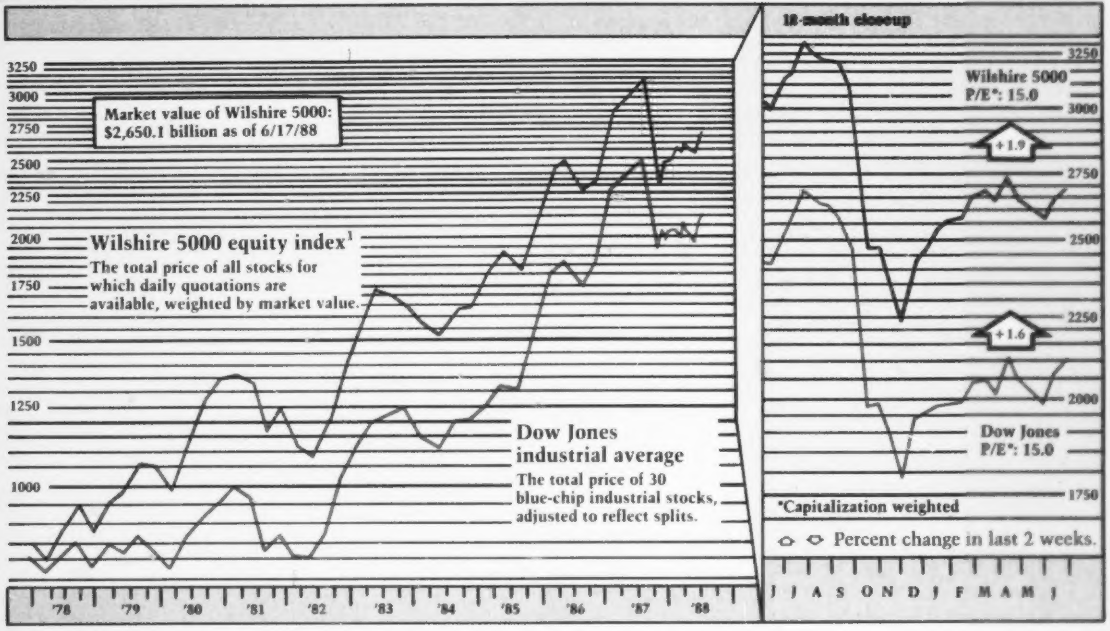
Rare decorated vase from the Ming period

Monthly highlights

Auctions around the world were very buoyant. Sales of Chinese ceramics in Hong Kong included a special single-owner collection of 117 lots of Ming and Qing porcelain, considered one of the finest to have come onto the market in recent years. The highlight of this sale was a copper-red early Ming vase, which sold for $2.2 million, the highest sum paid for a piece of Chinese porcelain and significantly higher than the previous record. Many buyers, from Japan and Taiwan, showed interest in Qing wares. Subsequent sales of Chinese porcelain in New York and London added further strength to this sector.

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Crossing lines. With the Dow rising almost steadily for a month, it has finally broken above its 200-day moving average. Chart fans see that as a bullish sign, just as dropping below the 200-day average after months of exceeding it is supposed to be a bearish sign. (The Dow fell below its moving average two days before the crash in October, but that doesn't mean chartists all got out in time.) During the two weeks ended June 17, the major indices established new postcrash highs before retreating slightly. For the fortnight, the Dow was up 1.6%, the NYSE 1.7%, the Nasdaq 2.7% and the Wilshire 1.9%.

No matter which indicator is used, the market is still way off from last year. The Dow shows the worst 52-week performance, a loss of 13.1%. NYSE shares are down 11.4%, Nasdaq shares down 9.8% and Wilshire stocks down 11.1%.

Closeup On the Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500²	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	6.7	7.0	7.8	6.7	4.7	5.7
in last 52 weeks	–11.1	–11.7	–13.1	–11.4	–10.1	–9.8

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility³		P/E multiple		Dividend yield		Growth profile⁴		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	7.6	4.4	10.1	3.4	5.4	4.2	3.9	7.8	7.3	4.3	6.3	3.8
in last 52 weeks	–6.2	17.4	18.7	4.6	–3.3	–1.1	0.0	23.4	16.2	3.6	–2.2	14.2

[1] Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2] Based on sales. [3] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

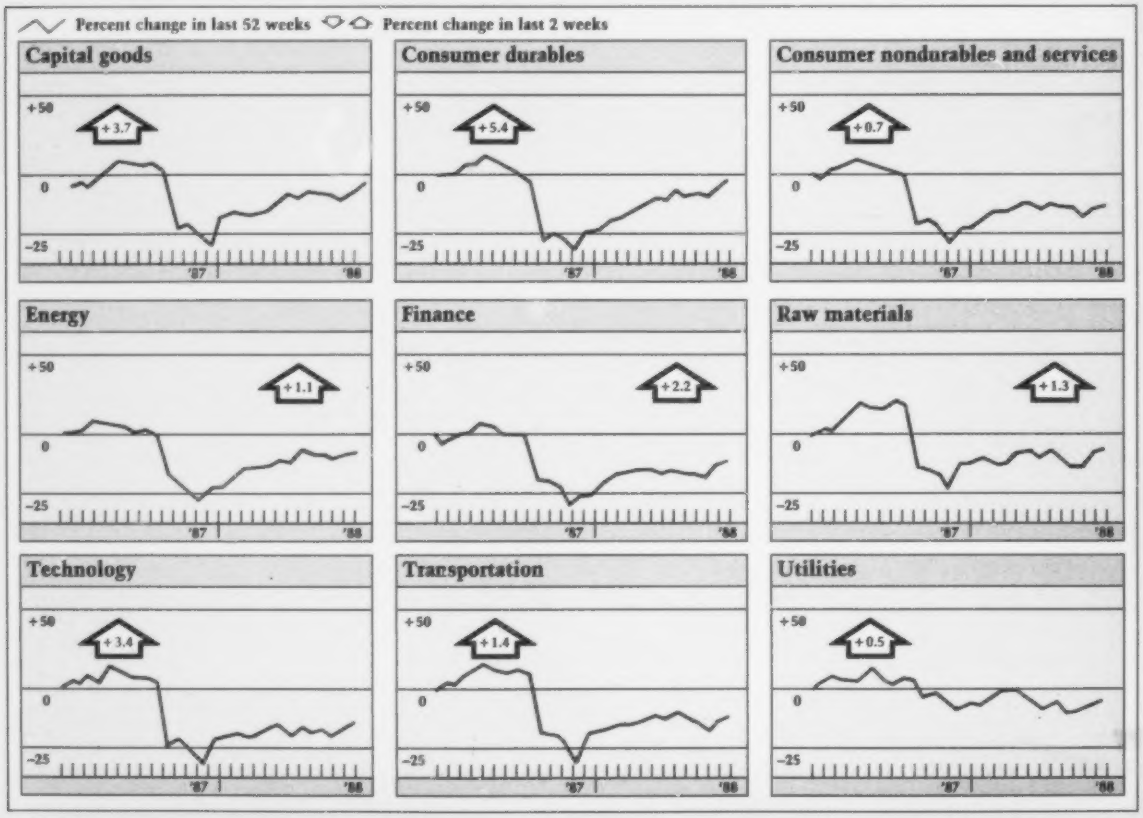
Note: All data for periods ending 6/17/88. Prepared by Wilshire Associates, Santa Monica, Calif.

Steven Ramos

Where the Action Is

Volatility is still with us. When SmithKline Beckman announced on June 16 that 1988 earnings were going to be down 5% to 10%, the stock fell 9¼ points, to 45¾. It was long-awaited evidence of a topping out for the blockbuster antiulcer drug Tagamet, which presently contributes just over a quarter of the firm's revenues. SmithKline said that increased competition will prevent Tagamet from reaching 1987 U.S. sales levels.

On June 17 trading volume on the NYSE was over 340 million shares as the market digested "triple witching hour" (when options and futures expire on the same day). Volume for the two-week period was led by Occidental Petroleum, which turned over 144 million shares, worth approximately $3.9 billion, in a dividend-related play.



What the Analysts Think

Energy prices firming? Over the last four weeks analysts increased their 1988 earnings projections by 3% or more for energy and raw material stocks. Consumer durables also enjoyed a 3% estimate gain. More recently, the market has been quieter. Over the last two weeks energy is the only sector to show an increase of more than 1%.

Forecasting the Forbes Sales 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.78	13.8
1988 estimates	3.56	10.8
1989 estimates	3.92	9.9

Rank based on change in estimate	Sector	Estimated 1988 EPS	P/E	% change in 1988 estimate in 2 weeks	in 4 weeks
1	Energy	$3.01	12.9	1.10%	4.26%
2	Capital goods	2.59	14.8	0.76	0.83
3	Consumer durables	4.39	12.1	0.62	4.39
4	Raw materials	3.01	10.7	0.53	3.18
5	Technology	2.87	12.1	0.14	0.38
6	Transportation	2.48	11.0	–0.05	0.55
7	Utilities	2.41	10.0	–0.06	–0.39
8	Finance	3.41	8.3	–0.14	–0.66
9	Consumer nondurables	2.50	13.0	–0.16	–0.14

Earnings projections are capitalization-weighted consensus estimates from over 3,000 security analysts. Data are compiled and updated continually by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 6/17/88. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

THE FORBES INTERNATIONAL 500 SURVEY

1992—IS EUROPE READY FOR UNION?

Forbes

THE WORLD'S BILLIONAIRES

HOW THEY MADE IT • HOW THEY INVEST IT • HOW THEY KEEP IT

38 NEWLY UNCOVERED ONES OUT OF A TOTAL OF 192 • HOW THE WEALTHIEST MAN IN THE WORLD LOST A BILLION AND HARDLY FELT IT • 6 WOMEN BILLIONAIRES • 3 LORDS OF COCAINE • WHY GERMANY'S BILLIONAIRES INVEST OUTSIDE THE HOMELAND • THE SELF-MADE, THE INHERITORS, THE FAMILIES AND MUCH MORE

Forbes

Cover illustration by Kinuko Craft

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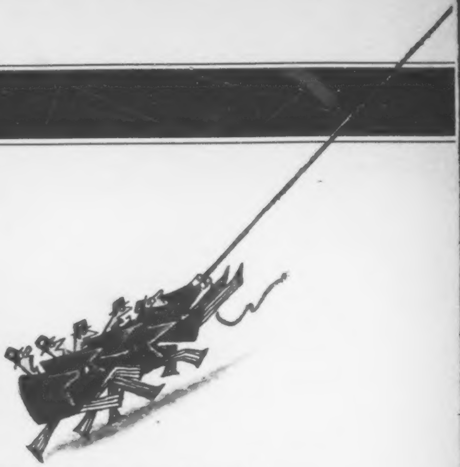

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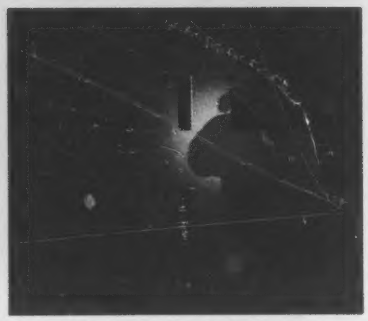

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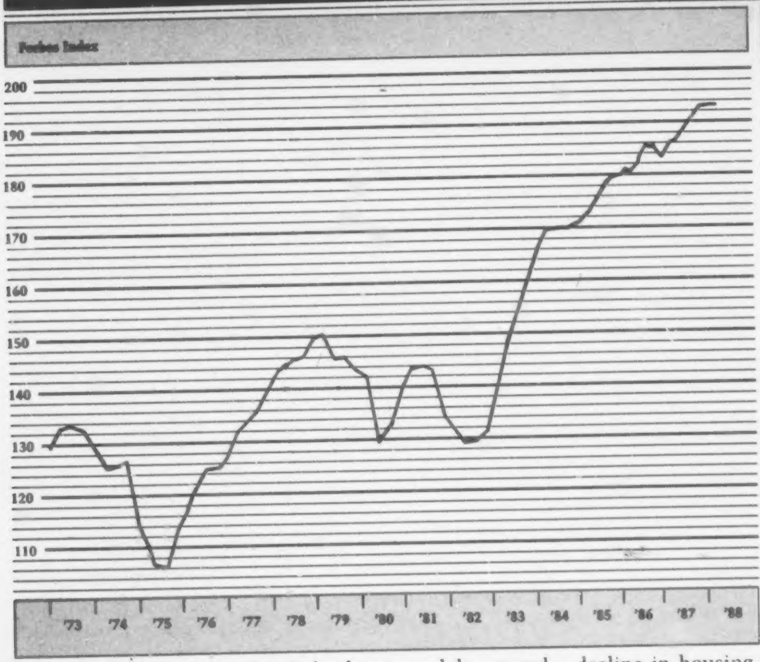
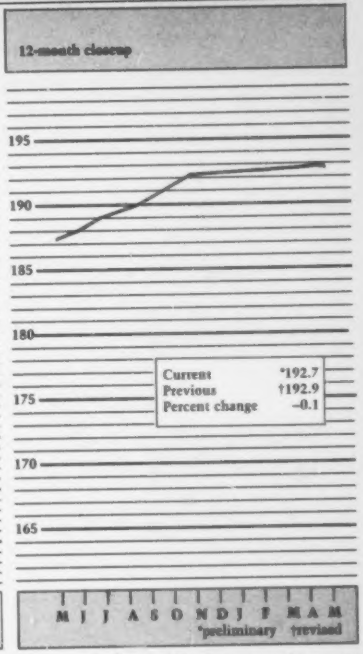
The Forbes Index





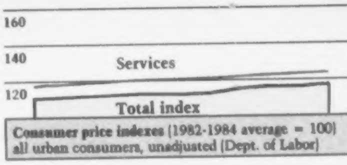
Signs of slippage. The Forbes Index has turned downward for the first time since January 1987. The preliminary May figure shows a decline of 0.1%. (We will have a final number once the May consumer installment credit number is released.) The Index was hurt by the recently reported 1.9% drop in manufacturers' new orders, coupled with a 0.7% rise in inventories to a record $223 billion. The 9% decline in housing starts and the 3.4% increase in new unemployment claims reported earlier in the month also pulled down the Index.

The Consumer Price Index (not seasonally adjusted) was up 0.3% in May; the services component was up 0.4%. If the weather in the farm belt does not improve in the near future, the inflation rate is bound to increase.

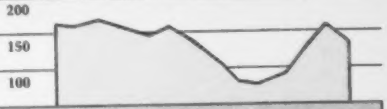
The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

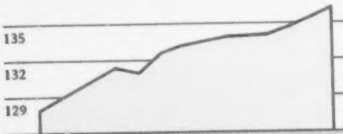
To measure these eight elements, Forbes monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



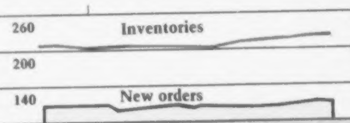
Consumer price indexes (1982-1984 average = 100) all urban consumers, unadjusted (Dept. of Labor)



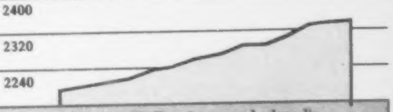
New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)



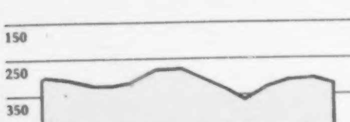
Industrial production index (1967 = 100) seasonally adjusted (Federal Reserve)



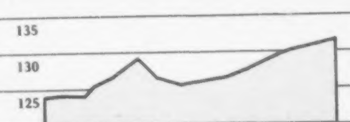
Manufacturers' new orders and inventories ($billions) seasonally adjusted (Dept. of Commerce)



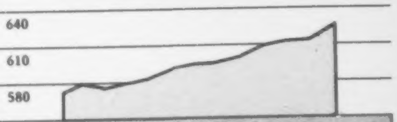
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)



Retail store sales ($billions) seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

While Wall Street staggers under high overhead and low volume, A.G. Edwards sits profitably and waits patiently for the individual investor to return to the market.

Sanity in St. Louis

By Richard L. Stern

WALL STREET is suffering from too much capacity and too little business. But in St. Louis, Benjamin F. Edwards III, chairman of A.G. Edwards, Inc., keeps showing them how to do it right.

In good years on The Street, like 1986, or in bad, like 1984 and 1987 *(see table, p. 52)*, Edwards' margins outshine its strong, regionally based competitors such as Legg Mason and Raymond James, as well as those of the giant national firms like Merrill Lynch, PaineWebber and Shearson Lehman Hutton.

Edwards is no longer merely the strongest of the regional firms. Over the last decade, revenues have increased at about 13% a year as the company steadily hired new brokers. With 3,300 registered representatives in 354 offices in 46 states, A.G. Edwards keeps producing among the highest returns in the industry while building a sales force that now ranks as Wall Street's sixth largest.

Much of the industry has gone galloping after new income from merchant banking, currency swaps and risk arbitrage. Edwards has remained a brokerage house in the true sense of the word. Manhattan-based competitors like Merrill and Shearson have become major players in mergers and acquisitions, while building huge in-house mutual fund operations to capture fund management fees as well as sales commissions. They have become integrated businesses that manufacture much of what they sell. Not Edwards, which prefers to sell products made by others.

And these partly integrated competitors can't match Edwards' net profit margins and return on equity.

"The thing is," says Ben Edwards, 56, with a grin, "I'm just not smart enough to run more than one business at a time. In-house mutual funds would divert both capital and management attention from our basic business as a brokerage house."

McMichael/Rauh

Chairman Benjamin F. Edwards III

"Run a tight ship and investors will be back."

Edwards has noticed that although rival firms have gained millions in revenues from management fees and other diversification, overall their margins keep slipping. By not running its own funds, Edwards leaves its salespeople free to push whatever mutual funds they think will do the best job for clients. It seems to work: Three years ago Edwards' mutual fund sales commissions for the first time surpassed revenues from listed securities commissions. Two years ago mutual fund commissions accounted for a record $148 million, vs. $110 million in commissions from listed securities. Even last year, when mutual fund sales fell sharply after the crash, they still brought in $93 million, compared with $115 million in commissions from listed stocks.

Until its acquisition of the investment banking and trading house of Lehman Brothers in 1984, Shearson was also very much a commission-oriented firm, renowned for its tight management. But now Shearson is an integrated investment house, operating in all facets of the business and packaging its own mutual funds. Its profit margin last year was 1.8%, compared with 9.6% in 1983. Edwards', despite last year's Wall Street rout, was 8.6%, compared with 11.4% in 1983, according to Perrin Long Jr. of Lipper Analytical Services.

The fruits of diversification? Shearson had to set up a $60 million reserve for tin trading losses, last year and took a $70 million aftertax hit from its postcrash losses, mostly from its investment banking participation in the ill-timed and ill-conceived public offering of British Petroleum.

At Merrill, earnings last year were $391 million on $10.9 billion in revenues, compared with $454 million on $9.6 billion in 1986. And 58% of its pretax earnings were from one-time transactions, like the sale of its headquarters building.

"Wall Street firms have justified diversification, contending it would enhance profitability, but mostly it has been at the expense of the shareholders," says brokerage analyst Brenda McCoy of PaineWebber. Because Edwards is a retail brokerage, its stock has languished along with the market. It recently traded at 19, or 11 times earnings, slightly below the industry average of 13.

The floor-to-ceiling picture window in Ben Edwards' sixth-floor office looks out at the skyline and at the soaring silvery arch that symbolizes St. Louis as gateway to the West. Far from the trendiness of Wall Street, Edwards and his firm have no plans to become like its bigger competitors. "We'll keep adding salesmen and offices, and helping our brokers increase their production," he explains. "Maybe we'll open retail offices overseas."

Edwards expects the 13% annual growth of the last few years might slow to 7% or 8%, at worst. The firm took a $12 million hit in the crash when three salesmen speculating on their own in options indexes couldn't meet margin calls. Net earnings for its

It's better in St. Louis

By sticking to what it knows best—basic brokering—A.G. Edwards has outperformed top regional brokers and big wire houses as well through good times and bad.

NET PROFIT MARGINS*

	1987	1986	1985	1984	1983	1982
AG Edwards†	8.6%	10.2%	8.5%	6.9%	11.4%	10.8%
Legg Mason	4.1	7.6	6.7	4.2	8.3	5.8
Raymond James	4.4	5.2	5.9	3.1	6.7	4.6
Merrill Lynch	3.6	4.7	3.2	1.6	4.1	6.1
Paine Webber	3.0	3.1	2.1	.6	4.6	4.8
Shearson	1.8	7.3	6.4	4.7	9.6	9.5
Industry average	1.3%	5.5%	5.5%	3.0%	6.8%	7.2%

NET RETURN ON AVERAGE EQUITY‡

	1987	1986	1985	1984	1983	1982
AG Edwards†	18.4%	22.4%	16.3%	11.3%	26.1%	25.3%
Legg Mason	10.6	18.0	15.9	8.7	26.0	26.5
Raymond James	13.3	16.2	17.0	7.3	24.7	25.3
Merrill Lynch	12.6	17.4	10.2	4.8	13.9	23.8
Paine Webber	8.1	11.9	9.3	3.1	25.5	32.2
Shearson	5.8	22.9	17.7	12.1	27.6	27.0
Industry average	2.9%	14.4%	14.4%	7.7%	19.5%	21.5%

*Net income as a percent of total revenues. †Edwards data for the 12 months ended November.
‡Net income divided by average shareholders' equity. *Source: Lipper Analytical Services*

fiscal year ended last February were $36 million on revenues of $504.5 million, compared with $53.7 million on $526 million the previous year.

But there isn't the gloom here that infects most brokerage houses these days. We last visited Edwards nearly four years ago (FORBES, *Sept. 24, 1984*) in a period much like this one, when the individual investor was not answering the telephone. Now as then, Edwards thinks a good part of the problem is shell-shocked brokers who are afraid to make phone calls. "Half of my salesmen have been in the business less than five years and never saw a crash before," he notes.

As we talk, workmen are banging and pounding next door, building a 15-story headquarters addition. Edwards' costs: about $63 a square foot, compared with as much as $300 a square foot in New York. Edwards is convinced he isn't missing much in St. Louis, except maybe the preening and one-upmanship at Harry's, the Wall Street watering hole, that seems to propel a lot of New York firms into the latest financial fads.

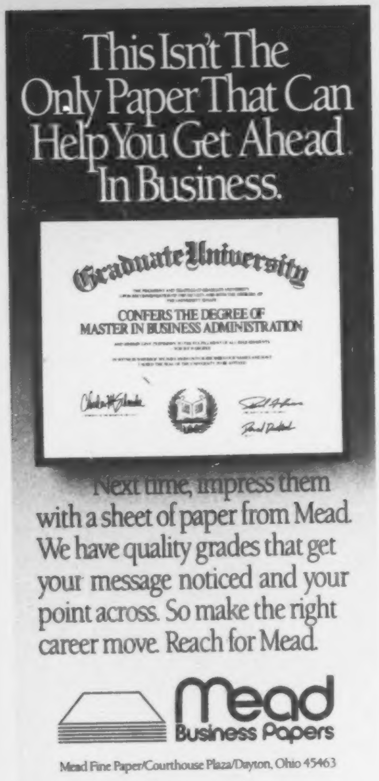
"Our offices are profitable with an average broker production of $125,000 to $150,000," he says. "Some of the bigger firms can't break even with average production of over $200,000."

Moreover, by sticking to basic brokerage, Edwards has become a valuable outlet for big mutual fund operators like Fidelity and Putnam. A.G. Edwards, almost by default, has become an important distribution arm for the inventors of the funds. That oftentimes gives Edwards the clout to get product that is tailor-made to its own customers' demands.

Likewise, because of its powerful distribution system, the firm has become a so-called "major bracket" underwriting firm, which means it can frequently wind up with a large portion of some of the best Wall Street deals. "I thought it would take years for us to become a major bracket firm," says Edwards. Edwards' retail network has become increasingly valuable to major underwriters like Morgan Stanley, who themselves have little or no sales force.

Pessimistic? Ben Edwards isn't. Consider these figures: The number of Americans 45 to 65 years old—the prime investing years—will grow by 7 million, to 52.3 million, in the next ten years. Those 65 and over will increase by 4.7 million, to 33.9 million. That will be 86.2 million people representing the bulk of Americans who invest.

"You run a tight ship and wait, and investors will be back," Edwards says calmly. "There's all that money out there that has to be invested." ■



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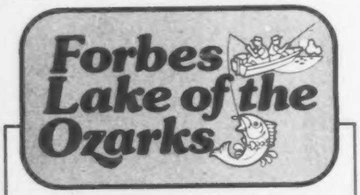

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As they said of the Holy Roman Empire, it was neither holy, nor Roman, nor an empire. Will history say the same things about 1992 and the coming of European economic integration?

An impossible dream?

By Susan Lee

NO QUESTION—1992 has inflamed Europe. That's the deadline set by the European Community for its 12 nations to end 1,000 years of economic separatism and meld together into one economic unit. And what a unit! With 323 million consumers, the united states of Europe—as it's being billed—would be the largest internal market in the developed world, some 100 million larger than the United States of America. Indeed, the Euroboast is that 1992 will be the year that the EC bursts on the economic scene as an equal partner with the U.S. and Japan.

Will the united states of Europe really fly, though? Or will it be a rerun of events 30 years ago when the original six EC nations agreed to abolish internal tariffs and quotas? Hopes were high, commitment was strong, and the goal was mostly achieved by 1968. But then ancient nationalisms reasserted themselves, and Europe's progress on economic integration came to a halt.

The resurgence of nationalism was stimulated by a series of setbacks that drove each country to look after its own interests. In the early 1970s, the EC was hammered by economic events: The failure of Bretton Woods created monetary chaos and the energy crisis hit hard at the real economy.

In response, new border taxes were levied, national production or trade quotas were reintroduced, national subsidies increased and nontariff barriers to trade multiplied. These policies not only stopped progress toward more integration, but also erased many gains.

The gains had been impressive: EC growth averaged almost 5% annually between 1961 and 1973, outpacing that of the U.S., and unemployment was, on average, lower than that of the U.S. over the same period. Yet when push came to shove in the currency and oil crises, it was every country for itself and forget about union. It was as if Europe was unable to shake its ancient curse of disunity.

Nonetheless, undaunted by either the magnitude of the task or the forces of history, the European Community's Eurocrats have come up with a scheme to achieve economic integration by 1992. Their vision emerges from some 300 directives contained in a document called "Completing the Internal Market," and referred to as the White Paper. And in corporate headquarters throughout the world, in advertising agencies, in the offices of big moneymovers, everyone is trying to position him- or herself for the great day.

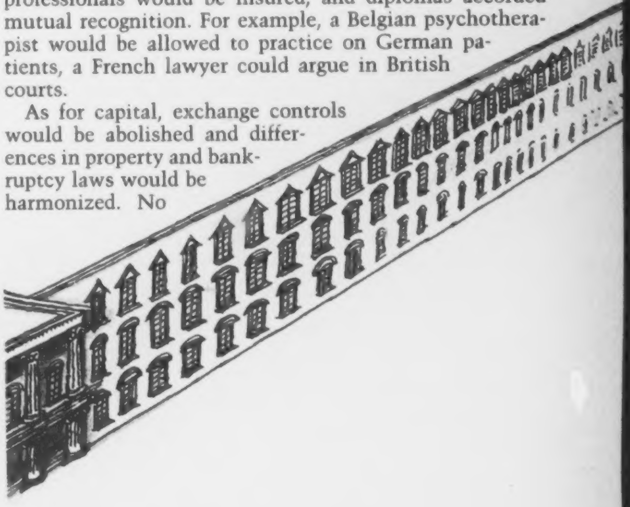
The White Paper aims at promoting the movement of goods and services, labor and capital within the EC. This sets an incredibly complex task: Thousands of laws and regulations governing the production and sale of goods and services and the movement of people and capital must be either abolished or "harmonized" (a favorite Euroword, meaning that when complete agreement among the 12 nations is impossible, approximate agreement is okay).

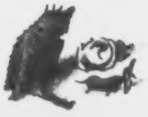
Differences in technical standards and regulations, value-added and excise taxes, will need to be harmonized. Take, for example, a simple farm tractor. There are over 100 separate requirements that must now be met if a tractor is to be sold in the EC—governing everything from the width of its headlights to the length of its mudguards.

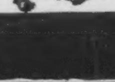
As for the free movement of services, licensing restrictions in banking and insurance would be removed, and competition in air transport would be introduced. In banking, for instance, cross-border solicitation of deposits would be permitted as well as cross-border lending in the bank's own currency.

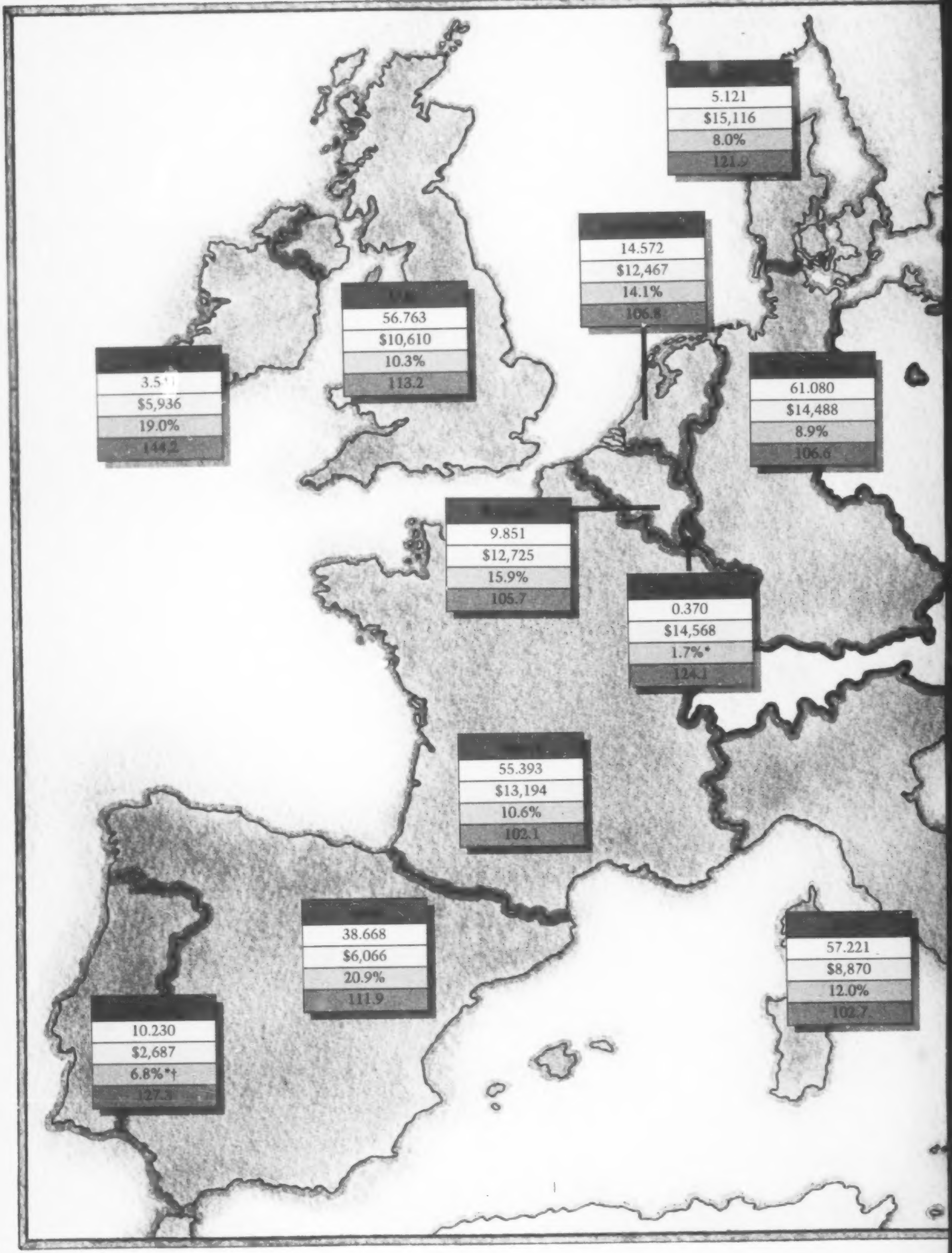
To promote the movement of labor, residence requirements would be abolished, the right of establishment for professionals would be insured, and diplomas accorded mutual recognition. For example, a Belgian psychotherapist would be allowed to practice on German patients, a French lawyer could argue in British courts.

As for capital, exchange controls would be abolished and differences in property and bankruptcy laws would be harmonized. No








5.121
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9.851
$12,725
15.9%
105.7
0.370
$14,568
1.7%*
124.1
55.393
$13,194
10.6%
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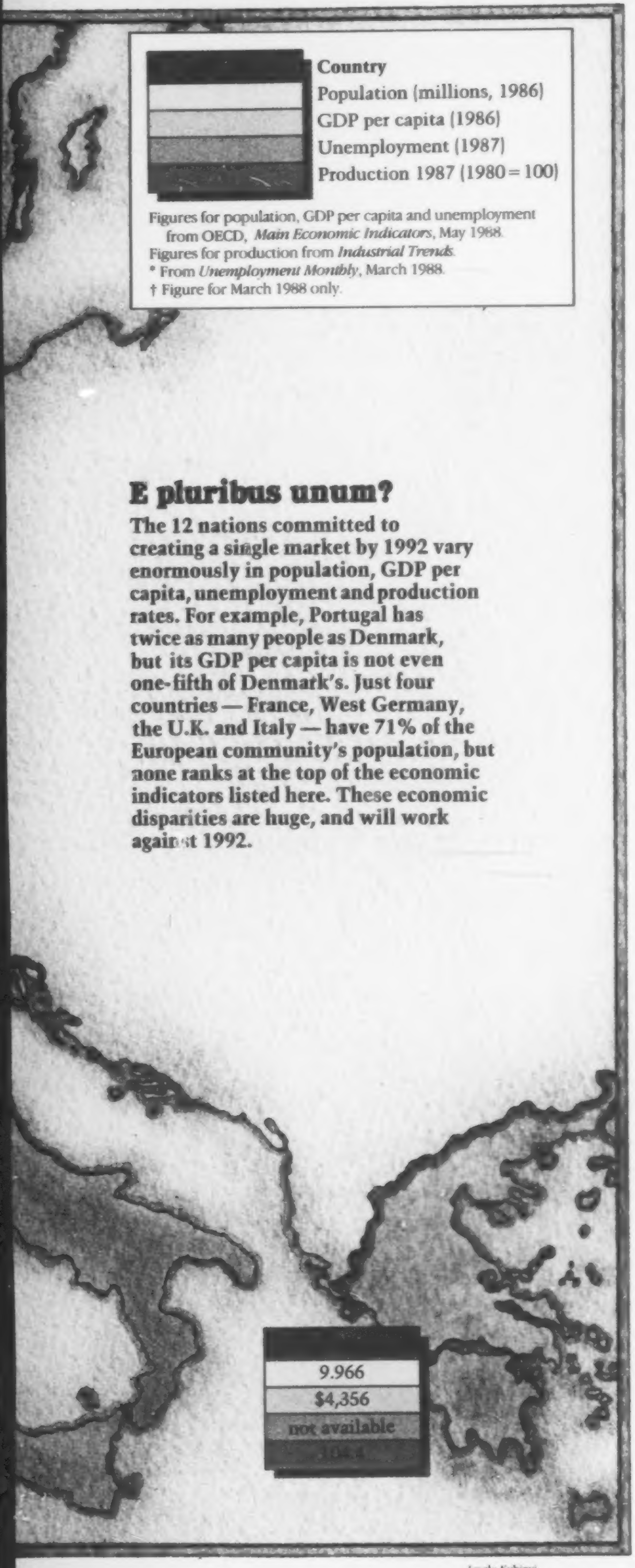


Figures for population, GDP per capita and unemployment from OECD, *Main Economic Indicators*, May 1988.
Figures for production from *Industrial Trends*.
* From *Unemployment Monthly*, March 1988.
† Figure for March 1988 only.

E pluribus unum?

The 12 nations committed to creating a single market by 1992 vary enormously in population, GDP per capita, unemployment and production rates. For example, Portugal has twice as many people as Denmark, but its GDP per capita is not even one-fifth of Denmark's. Just four countries — France, West Germany, the U.K. and Italy — have 71% of the European community's population, but none ranks at the top of the economic indicators listed here. These economic disparities are huge, and will work against 1992.

Laszlo Kubinyi

longer, then, would companies be limited in the size of foreign checks they could cash or the amount of foreign currency they could hold.

If all these directives are agreed to, the EC will have created one vast, internal market. But that in itself is a mighty big if.

There are other problems. The integration proposals are based partly on the argument that the huge market will enable the most successful companies to achieve economies of scale. The payoff, according to the Eurocrats, is that EC economic growth would accelerate from its current 2% annual rate to around 5%. Some 2 million jobs would be created, and prices would fall by 6%.

Unfortunately, however, economies of scale may not be as important as the Eurocrats imagine. This will not surprise Americans who have watched with fascination as General Motors, whose economies of scale were legendary, lost the lead in profitability, not only to much smaller Japanese companies but to smaller U.S. companies like Ford and Chrysler as well.

Based on this and other experiences, many observers think that the notion of economies of scale itself is out-of-date. Technological advances, such as computer-aided manufacture, and institutional innovations, such as flexible management systems, make smaller runs not just profitable but necessary to keep up with fast-changing and increasingly specialized markets.

If economies of scale are such a big deal, why hasn't the Soviet Union been able to achieve them with its vast, protected market?

Indeed, many economists argue that the EC's economic problems and slow growth are caused not by inadequate market size but by inadequate access to markets—that is, by inadequate competition. This view argues that the EC should be concentrating on freeing markets from subsidies, quotas and external tariffs so that the economy has the necessary flexibility to adjust to changing conditions. Size per se is no guarantee of such flexibility and may, in fact, hamper it.

And this is where the White Paper really disappoints. It barely mentions dismantling barriers to internal and external competition in large and important chunks of the economy. Nor does it deal with the policies that have created structural rigidities in the labor force, supported inefficient industries and perpetuated bad management.

There is little indication, for instance, that the EC intends to eliminate internal subsidies and quotas in agriculture, steel, fisheries and textiles. As is well known, the EC's agriculture policy has resulted in vast economic waste, with mountains of butter and lakes of wine.

Nor is there much talk of removing barriers to external competition—such as various types of quotas on cars, textiles, footwear and electronics—or of stopping voluntary export restraints for textiles, footwear, cars and steel.

Moreover, the White Paper is mostly silent on introducing competition into an even bigger chunk—15%—of the EC's economy, government procurement. That's the practice of allowing governments to purchase supplies and services for public works from local firms without competitive bidding. Public works include everything from highly technical projects such as defense to the building of public housing. Crucial sectors—energy, transportation, water supply and telecommunications—have been exempted from 1992 tampering.

Nor does the White Paper propose dismantling the industrial policies that have created economic gridlock. Consider:

In many EC nations, labor practices insure high unemployment. In the U.K., unemployment benefits are based mostly on need, not on past earnings. Thus a jobless worker with a big family can earn more by being on the dole than by working. Generous benefits create disincentives to moving to another town to find new work and remove pressure on employed workers to moderate their demands. Further, the social insurance necessary to pay these benefits jacks up employment costs. In Italy, payments hover around 50% of wages. In the U.S., by contrast, these costs have run about 17%.

There are, as well, restrictions on firms that prevent their responding to changing markets. Employers are encumbered by stiff regulations on hiring and firing. Shopping hours in some countries are fixed. In Germany, for example, shopping is limited to 5½ days a week.

And in much of Europe, legal restrictions on wage competition reinforce the power of unions. For instance, in Germany union wages set the industry standard, even for nonunion companies, and some firms labor under work rules that make it impossible to run a second or third shift.

Nationalized industries are a drag on the economy. Yet they, too, are ignored by the White Paper. As Herbert Giersch of the Kiel Institute says: "Look at the railways, at the airlines, at telecommunications. These nationalized industries are very inefficient and very expensive. It's cheaper to phone West Germany from the U.S. than it is to phone the U.S. from West Germany."

If the EC really intends to create an economy to reckon with, says Alan Stockman of the University of Rochester, "There must be a real commitment by the governments to dismantle the restrictions embodied in their industrial policies." That means letting grossly inefficient businesses go out of business and allowing the mildly inefficient businesses to fire workers, redeploy remaining ones and hire new workers without fear that the decision is permanent. It means assuring efficient businesses, and new enterprises, that government will keep its mitts off.

Not likely. The Eurocrats have tackled the easy ones; the hot potatoes remain outside their province.

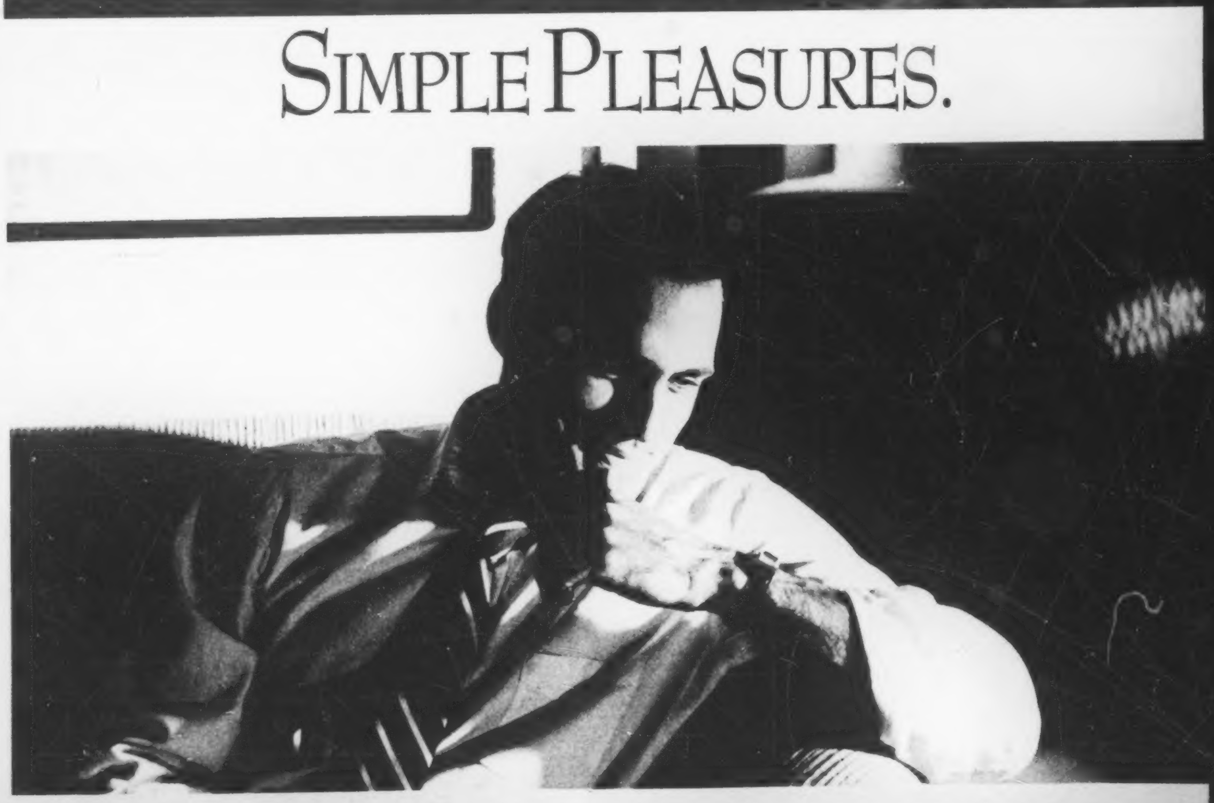
But let's leave aside the White Paper's giant omissions for the moment and assume that its 300 directives become law by 1992. (A long leap of faith: Since the publication of the White Paper, in 1985, only 91 of the least controversial directives have been adopted.) And let's say that it does promote competition, at least within certain sectors in the Community. What is likely to happen?

Cheap labor in Spain and Portugal will bid companies away from expensive labor countries like Germany. Workers in Spain and Portugal will be happy, German workers will be unhappy. Competition in air transport will favor more efficient air carriers like British Air and Lufthansa and will seriously hurt inefficient national airlines like Sabena, Aer Lingus, Iberia and Alitalia. That will please the U.K. and Germany, but Belgium, Ireland, Spain and Italy will be furious.

Will German insurance companies be sanguine when German consumers start buying cheaper life insurance from the Brits? Will the French be cheerful when their high-tech industries relocate to the U.K.? How will Italian banks feel when Italians motor their savings into non-Italian banks?

If these things are allowed to happen, estimates are that as many as one-half of Europe's firms could disappear. Imagine the pain. Imagine the protests. Can anyone conceive of local politicians allowing these collapses and dislocations to happen?

Clearly the winners—many transnational companies, niche manufacturers and low-wage labor areas—will be happy and enthusiastic supporters of the internal market. But what about the losers? Will they be philosophical about it? Says Patrick Minford of the University of Liver-


SIMPLE PLEASURES.

pool: "There will be lots of problems, especially from the labor side of things. Very highly unionized countries, like Germany and the U.K., will object to competing with nonunionized labor."

What happens when the losers, many of whom have already demonstrated their lobbying prowess, start complaining? What if, for example, the governments of the losers respond—as they've done before—by subsidizing the ailing industries? As L. Alan Winters of the University College of North Wales points out, letting nations continue to subsidize when internal barriers have been dismantled would be very, very bad. "Resources would then be free to flow to the subsidized industries," he says. "That would create even more inefficiency."

Beyond some tut-tutting on preventing new obstacles to an internal market, the White Paper doesn't address these disasters-in-waiting.

Will German insurance companies be sanguine when German consumers start buying cheaper life insurance from the British?

On top of this, freer capital mobility will make it difficult for member nations to conduct independent fiscal and monetary policies. Say that France wants to increase revenue by raising taxes on business. It does, only to watch businesses relocate to lower-tax nations and, of course, its tax revenues then fall. There's no question that member nations would have to give up some sovereignty in fiscal and monetary matters and resign themselves to much closer cooperation. But will they? Although the Eurocrats may propose, it is the real world that disposes.

And the real world can be stern in its judgments. The result of the frenzy of regulation and subsidization that occurred in the early 1970s, for example, was a state of Eurosclerosis—the Euroword describing how the lack of flexibility in wages and industrial structure inhibits economic adjustment.

Eurosclerosis is a wicked disease. Between 1973 and 1980, it cut economic growth in half. And after 1980, growth averaged a scant 2%. Unemployment rose steadily after 1973 and very rapidly after 1980. The rate is now around 11%—much higher than unemployment in either the U.S. or Japan since 1981. And industrial production has been below that of the U.S. and Japan for the past six years.

In terms of the standard of living afforded its citizens, the EC ranks seventh behind the U.S., Canada, Scandinavia, Japan, Australia and the OPEC countries. Per capita, the EC spends less on leisure than either the U.S. or Japan and has fewer telephones, televisions and cars than does Canada.

Doubtless, the White Paper's directives are an important step toward revitalizing the EC economy. If nothing else, the idea of an integrated market has lit a flame under many Europeans. Companies have begun to crank 1992 into their corporate strategies: The French are gearing up to sell more autos in Germany, the British are getting set to invest in Greece, Germans are planning factories in Portugal, and Italians are figuring on marketing everywhere.

All to the good, but lest excessive expectations lead to bitter disillusionment, it is well to remember that the White Paper is only a first, rather bitty, step. As the Kiel Institute's Herbert Giersch says: "1992 is not a magic date." This is not to say that Europe isn't making real progress toward economic integration. But to expect too much of 1992 is to doom Europe to a rerun of the 1970s, when the forward trend reversed and it was every man for himself again and the devil take the hindmost. ■

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The World's Billionaires

By Harold Seneker

No question, the billionaires' biographies make fun, sometimes scandalous, reading. But if gossip and titillation were the only results, we'd leave the work to television or to those publications that dote on the rich and celebrated.

There is social and economic virtue in this project. It serves a serious purpose. These are people—sometimes celebrities, sometimes purposefully obscure—who exert a powerful influence on a global economy that is becoming more accessible and intertwined by the day. Most of the 192 billionaire individuals and families we have unearthed created their fortunes in their home countries and are now spreading their wealth into productive investments in far-flung countries. With an electronic blip, a major urban office building changes hands. Another blip, and 5% of a big, publicly traded company is suddenly in foreign hands. These electronic impulses are not created by abstract forces. They come from real people, a number of whom are listed among our billionaires.

Consider Li Ka-shing, thought by many to be Hong Kong's most influential businessman. Through shrewd pyramiding reminiscent of Samuel Insull and other great Wall Street

Illustration by Kimiko Craft

financiers of the 1920s and 1930s, Li controls companies that account for over 15% of the Hong Kong stock exchange's total market value. Now Li is expanding the pyramid to Canada, favored by many Hong Kong Chinese for investment (and as a possible future home). Last year he paid $418 million for control of Canada's Husky Oil Co.; part of the investment was made by Li's Hutchison Whampoa trading company, part by Li's son Victor, now a Canadian citizen.

Husky in hand, Li quickly used it to buy control of Canterra Energy Co., a big natural gas and sulfur producer in western Canada, for C$375 million ($300 million). Beyond Canterra Energy, Li's Husky Oil has offered Texaco a reported $3.7 billion for Texaco Canada, which has 11% of Canada's retail gasoline market. And beyond oil, in April a Li consortium (including fellow Hong Kong billionaire Cheng Yu-tung—see p. 154—and Lee Shau-kee) won the bid to develop Vancouver's Expo site. This is a $1.6 billion megaproject called Pacific Place that will fundamentally alter urban development on North America's West Coast. Meanwhile, Li companies have bought 4.9% of Britain's proud Cable & Wireless, which has brilliant telecommunications prospects throughout Asia.

Is it useful for business people and for investors to know about Li Ka-shing and what he is about? Emphatically, yes.

There is another reason for tracking the world's big fortunes. Amassing great wealth says much about the societies in which the wealth is amassed. As you read through the billionaires' stories, patterns begin to emerge. Notice how many European fortunes—at least 16—have been built since the end of World War II on retailing and other distribution businesses. When Europe entered the war, mass consumer markets had not yet developed there—as they had in the U.S. in the first third of the 20th century when Sears, Woolworth, Merrill and other U.S. merchant princes accumulated vast wealth. Thus the stories of Sweden's Ingvar Kamprad (p. 118), France's Bouriez brothers (p. 114), Germany's Otto Beisheim (p. 104), England's David Sainsbury (p. 103) and other European merchant billionaires are interesting in their own right—and important in demonstrating how far the democratization of consumption has progressed in Europe since it built itself up again out of the ruins of the economic and social order destroyed forever by World War II.

The majority of Japan's billionaires—18, of a total of 34—made their money by buying land when it was affordable, and holding on. This illustrates a central fact about Japan that many foreigners forget: that Japan has about half

How to track a billionaire

This is our second annual listing of the world's billionaires. It's our road map of world wealth. Where is it? How was it made? Who owns it? Have we found every billionaire? Of course not. But this year's survey does include a couple dozen newly uncovered billionaires and looks, where possible, at what they are doing with their money. We now know of at least 192 individuals or families, 125 of them foreign, whose net personal assets are worth over $1 billion. (American billion-dollar-plus wealth, summarized on the facing page, will be reviewed more extensively in the seventh annual Forbes Four Hundred issue in October.)

Our survey includes only private fortunes that have been accumulated through economic endeavor. We deliberately exclude royal families from consideration. Queen Elizabeth, King Fahd and the Sultan of Brunei are no doubt wealthy people. But their wealth derives more from political heritage than from economic effort. Nor, in many cases, are their assets disposable. Could King Fahd sell Saudi Arabia's oilfields? Can Queen Elizabeth sell the crown jewels? One has one's doubts. So we have again excluded royalty.

Likewise with dictators. Dictators often live more lavishly and always wield more power than the wealthiest of business people. Rumania's Marxist dictator Nicolae Ceausescu is now bulldozing huge tracts of once beautiful Bucharest into rubble and razing hundreds of ethnic Hungarian villages in Transylvania in a sick attempt at "modernization." But his power and lavish lifestyle have nothing to do with economic achievement and everything to do with keeping the loyalty of his brutal police force. So we leave dictators Ceausescu, North Korea's Kim Il Sung, Zaire's Mobutu Sese Seko and their ilk from consideration.

Many famous business names are conspicuous by their absence from our pages. This is not because we don't know about Sir Jimmy Goldsmith, say, or Carlo De Benedetti. We looked at them and were not convinced that their private net worth comes to $1 billion or more at current stock and other market values—and at rates of foreign exchange in force as we went to press at the beginning of July. Remember, our estimates are net worth; the world is full of people with billions in assets and equal billions in debts. (For several individual and family fortunes we considered and then dropped, please see "A few who failed to make the cut," on page 162.)

In deciding whether to include a fortune, we count in assets in the names of close relatives and private holding companies. In certain cases we also credit assets held by foreign foundations, where we are satisfied that the foundation serves the individual owners primarily as a tax avoidance device.

Using methods refined by FORBES over years of tracking and measuring wealth creation, our reporters and editors have created a unique and continuing panorama of the great economic drama.

COMING SOON: The Forbes Four Hundred—the 400 richest people in the U.S. Dated Oct. 24, our seventh annual compilation of U.S. wealth will include biographies of the four dozen or so individual Americans who qualify as billionaires.

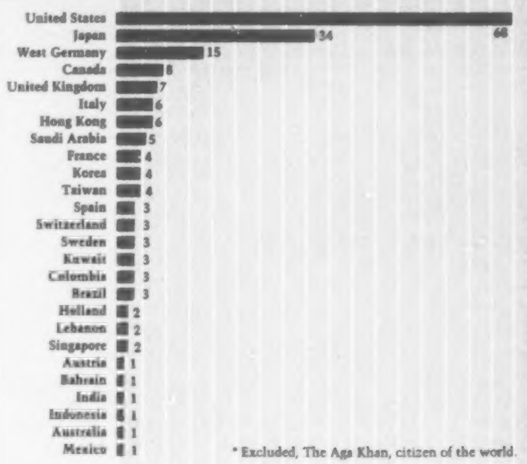
as many people as the U.S., and usable land about the size of New England. The consequent feelings of isolation and hemmed-in-ness are at the root of many of the Japanese economic and political decisions made during much of this century.

Interestingly, four of our Japanese billionaires built their fortunes on retailing. This suggests that the Japanese are beginning to consume imports as well as produce exports. Good news for world trade imbalances. We hazard a guess that we'll see more Japanese retail fortunes in the years ahead.

And the U.S.? Had someone listed the great U.S. fortunes of a century ago, they would have been made mostly by the great industrialists who built the railroads, the steel mills, the coal mines. Later would come the merchant prince fortunes, created by those who could exploit the developing mass markets here.

A surprising percentage of today's American billionaires are media magnates, whose wealth comes from the production and distribution of intangible commodities: information and entertainment. Will this changing pattern repeat in Europe and the Far East? One suspects it already has, preparing the way for the creation of new fortunes and the eclipsing of older ones. ■

Number of billionaires per country*



* Excluded, The Aga Khan, citizen of the world.

Where the most richest are

The U.S. still accounts for more billionaires than any other country—at least 47 American individuals and 20 families are worth over $1 billion, versus 32 individuals and 2 families in second-place Japan and 16 in third-place Germany. All of Europe accounts for 44 billionaire individuals and families. Below is an extensive sampling of the known U.S. billionaires as we go to press.

Sam Walton, Wal-Mart Stores, $6.5 billion
John Kluge, Metromedia, $3 billion
H. Ross Perot, Electronic Data Systems, $3 billion
David Packard, Hewlett-Packard, 2.5 billion
Donald & Samuel Newhouse, publishing, $4.7 billion
Warren Buffett, Berkshire-Hathaway Inc., $2.1 billion
Lester Crown, inheritance, $2.1 billion
Jay & Robert Pritzker, financiers, $3.8 billion
Barbara Cox Anthony & Anne Cox Chambers, Cox Enterprises, $3.6 billion
A. Alfred Taubman, real estate, $1.8 billion
Ted Arison, Carnival Cruise Lines, $1.6 billion
Henry Hillman, industrialist, $1.5 billion
Sumner Redstone, entertainment, $1.5 billion
Samuel LeFrak, real estate, $1.5 billion
Edgar Bronfman, Seagram Co., $1.5 billion
Marvin Davis, oil & investments, $1.45 billion
Harry Helmsley, real estate, $1.4 billion
Philip Anschutz, oil & investments, $1.4 billion
William Gates, Microsoft, $1.4 billion
Leonard Stern, pet supplies & real estate, $1.4 billion
Ray Hunt, oil & investments, $1.3 billion
Donald Bren, real estate, $1.3 billion
Charles Sammons, cable & insurance, $1.3 billion
Edward DeBartolo, shopping centers, $1.25 billion
William Hewlett, Hewlett-Packard, $1.2 billion
Rupert Murdoch, News Corp., $1.2 billion
Robert Bass, oil & investments, $1.2 billion
Edward Gaylord, broadcasting, $1.2 billion
Leslie Wexner, The Limited, $1.2 billion
Forrest Mars Sr., candy, $1.15 billion
Forrest Mars Jr., candy, $1.15 billion
John Mars, candy, $1.15 billion
Jacqueline Mars Vogel, candy, $1.15 billion
Margaret Hunt Hill, oil & investments, $1.1 billion
August Busch Jr., Anheuser-Busch, $1.1 billion
John Dorrance, Campbell Soup, $1 billion
David Rockefeller, inheritance, $1 billion
Sid & Lee Bass, oil & investments, $2 billion
Carl Lindner, insurance & banking, $1 billion
Charles & David Koch, oil, $2 billion
William Ziff, publishing, $1 billion
Donald Reynolds, publishing & cable TV, $1 billion

Other U.S. families with fortunes estimated at $1 billion or more:

Du Pont family, chemicals, $10 billion
Rockefeller family (incl. David), oil, $5 billion
Getty family, oil, $3.4 billion
Hearst family, publishing, $3.4 billion
Upjohn family, pharmaceuticals, $2.3 billion
Cargill/MacMillan family, commodities, $2 billion
Annenberg family, publishing, $2 billion
Phipps family, steel, $1.9 billion
Lilly family, pharmaceuticals, $1.5 billion
Chandler family, publishing, $1.3 billion
McCaw family, communications, $1.3 billion
Haas family, Levi Strauss & Co., $1.2 billion
Wattis family, construction, $1.2 billion
Scripps (E.W.) family, publishing, $1.2 billion
Weyerhaeuser family, paper products, $1.1 billion
Bacardi family, liquor, $1.1 billion
Donnelley family, printing, $1.1 billion
Cullen family, oil, $1.1 billion
Kleberg family, oil, $1 billion
Lykes family, shipping, $1 billion

Europe

Will business succeed where armies failed?

Europe's capitalists are aquiver. In theory, come 1992 any business or product legal in any Common Market country will become legal in all. Dutch banks can expand into Spain, French hypermarket chains into Belgium, as freely as a New York company can expand into Connecticut.

The opportunities for wealth creation will be immense—but the change will be wrenching. In Spanish banks, for example, operating costs average 2.8% of assets, compared with 1.75% in Germany, 1.9% in France. Some 40 foreign banks that are now in Spain will be able to underprice the Spaniards. Painful rationalization is inevitable. Indeed, the Bank of Spain has suggested that by 1992 the old oligopoly of 6 banks controlling 80% of Spain's commercial bank deposits could shrink to 3 larger, Euroscale banks. Publishers, by contrast, will enjoy a windfall. Notes Rosemary Sagar, an analyst with Baring Securities: "All of those textbooks on corporate law, accounting and taxation will have to be completely rewritten."

Of course, the changes may be so painful as to be politically unacceptable *(see story, p. 78)*, in which case Europe will continue to suffer the penalties of economic fragmentation and sovereignty will have triumphed once more over efficiency. That would be a shame. Military and political leaders have wasted lakes of blood in their vainglorious attempts to unify Europe. Wouldn't it be a triumph if businessmen succeeded where kings and marshals failed?

Spain

BOTIN FAMILY

Beyond The Iberian Peninsula

Spain's heavy power brokers under General Franco were the Church and the military, the syndicalist labor movement and the banks. Among the latter, none was more powerful than Banco Santander, controlled and operated behind the scenes by the Botín family, several of whom were married to El Caudillo's ministers.

Actualidad Economica

Emilio Botín Jr. and Sr.

The Franco regime is a dimming memory, but the Botín wealth is as robust—and as publicity-shunning—as ever. "Quite frankly," one member of Spain's relatively narrow banking circle cautioned us when we made inquiries about the Botíns, "I think you're touching fire."

Fire or no, this is clearly a powerful family. Banco Santander was set up in 1857 in the Atlantic commercial port city of Santander to finance trade between Spain and Latin America. Today it is the only major Spanish bank still controlled by a single family. The Botíns' visible stake is only some 5%. But knowledgeable sources say affiliated Botín entities bring the total to 25%, worth around $1.5 billion at current market price.

For more than 30 years, Don Emilio Botín has been the bank's helmsman. Now 85, this shy elegant man built Banco Santander through acquisitions within Spain. In the early 1950s he was the first to cultivate Spain's emigrant community in Latin America, flying off to Argentina and Panama to snap up banks. In 1965 he set up industrial lender Banco Intercontinental Español (Bankinter) with Bank of America, and put his son Jaime Botín in charge. The Botín stake in Bankinter is put at around 10%, worth $140 million.

Officially, Don Emilio Botín retired two years ago. His successor is his 53-year-old son, also named Emilio. The younger Emilio joined the bank more than 30 years ago. But until his father retired, he was reportedly never allowed to answer a single question during the annual spring rite when the Botíns invite the Spanish press to their mansion in Santander and announce the bank's annual results.

Now that his father is slipping quietly into the background, the younger Emilio, and several other family members on the board, will address the bank's toughest challenge: Europe in 1992. As Banco Santander's recent bid for Italy's Istituto Bancario Italiano suggests, the Botíns will use high-priced Santander stock to seek more acquisitions outside Spain. If they succeed, the Botín family members and their bank will be a force to be reckoned with far beyond the Iberian peninsula.—**Lisa Scheer**

MARCH FAMILY

Into The Light

The chance to profit from Europe's crumbling borders is apparently forcing even Spain's secretive March family into the open. Their March Group was founded on the Mediterranean smuggling profits of dynast Juan March—convicted of fraud in the Spanish Republic of the 1930s, grown rich under the patronage of Generalí-

Joaquin Tejada Actualidad Economica

Carlos March

simo Franco and killed in a car crash in 1962. Today the founder's grandsons, brothers Carlos and Juan March, both in their early 40s, control a family fortune worth over $1.2 billion.

What are the grandkids into? Real estate. Through $680 million (market capitalization) Corporación Financiera Alba, half owned by the Marches, half by public investors, they are buying up and renting warehouses, industrial buildings and residences. They are throwing up office buildings in Madrid and Barcelona, and developing apartments and commercial buildings on their grandfather's former private estate in Majorca. The March Group also recently bought around 5% of newly formed Advent. Its aim: to grab control of sick Spanish companies, restructure them and then relaunch them on the bubbling Madrid Bolsa. Grandpa would be proud.—**Lisa Scheer**

RAMON ARECES

Spain's Merchant King

Probably worth some $5 billion, Ramón Areces is by far the richest man in Spain. In 1920, age 15, Areces emigrated from his poor Asturian village to Cuba. There he learned merchandising in his uncle's Havana department store. Back in Spain in 1934, Areces bought a small Madrid tailor shop that custom-made expensive clothes from imported fabric for the Spanish bourgeoisie. Six years later Areces opened his first department store and called it El Corte Inglés (the English Court), named after his original tailor shop.

In the depression that followed the Spanish Civil War, Areces expanded the store slowly. But by the late 1950s, Franco felt compelled to boost living standards. He relaxed, somewhat, his strict autarkic rules and allowed merchants like Areces to import more foreign goods. A cosmopolitan middle class took root and began to consume El Corte Inglés' wares. In 1962 Areces opened a second store. Today there are 19 stores plus 5 Hipercor hypermarkets. Expansion is almost exclusively self-financed: Long-term debt is zero and annual cash flow is almost $200 million.

Last year El Corte Inglés announced profits of $83.5 million on sales of $2.8 billion. But private companies in Spain routinely submit an understated financial statement to the Ministry of Finance. Besides the cash earnings, there is El Corte Inglés' extremely valuable real estate. Spanish analysts believe the company may actually be worth $5 billion. Sources say the Areces family owns 96.8% of El Corte Inglés.

Control of the El Corte Inglés fortune may soon change hands. Now 82 and a recluse, Areces is said to be seriously ill. At a recent Banco Central shareholder meeting, President Alfonso Escamez publicly summoned the Lord's help to keep his friend Ramón Areces alive. Rumor has it that Areces suffered a stroke. A company spokesman will say only that Areces "has a cold."

Who stands to inherit El Corte Inglés? One source says Areces has seven sons and "about" four daughters. Another insider says that Areces has children, but that they're all illegitimate. Says the company spokesman, perhaps wishfully: "Ramón Areces is a widower with no children. He is leaving the company to the employees."—**Lisa Scheer**

Ramón Areces

Italy

FERRUZZI FAMILY

He Should Have Called Milken

Movie-star-handsome Raul Gardini has put in motion forces that are still roiling Italy's business elite. Gardini, married to one of Serafino Ferruzzi's three daughters, had built Ravenna-based Ferruzzi Finanziaria into a powerful agricultural, chemical, financial services and pharmaceutical firm. Gardini, the family leader since his father-in-law died in 1979, has diversified aggressively. Ferruzzi is now a $4.3 billion (sales) conglomerate with over 50 companies.

F. Scianna/Magnum

Raul Gardini

Gardini's biggest gamble is his attempt to take over Montedison (FORBES, *May 2*). Starting in 1985, he acquired 42% control of Montedison, one of Italy's largest industrial holding companies. To finance the takeover, Gardini hatched a complex scheme combining asset-stripping and raising new money by selling shares in Ferruzzi Agricola. But then came Gardini's unusual proposal, a series of complex share swaps that would give investors a stake in Ferruzzi holding companies in exchange for their stock in lucrative partly-owned Ferruzzi subsidiaries. Spooked, investors began taking a closer look at Gardini's complicated proposal, and didn't like what they saw. In February the Italian stock market dumped Montedison, Ferruzzi Agricola and related shares. Gardini's leveraged holding was in trouble.

With the market stabilized now, it looks as if Gardini may gain control over most of Montedison after all—but at a steep price. He will most likely have to sell a chunk of Ferruzzi through Mediobanca, which will dilute Ferruzzi-Gardini families' control over old Serafino Ferruzzi's legacy. Even in Italy, there are rules for Michael Milkens. The Ferruzzi family's holdings are worth an estimated $2.8 billion.—**Tatiana Pouschine**

SILVIO BERLUSCONI

Silvio ♥ Perestroika

Another new European name on the list, Berlusconi, 52, was the son of a Milanese banker, but entrepreneur-

Silvio Berlusconi

Giovelli/Olympia

ial talent showed early. As a teenager Berlusconi earned pocket money doing homework for his fellow students, and went on to finance law school by singing French songs in clubs. In 1963 Berlusconi started a construction firm, Edilnord, convincing stodgy Italian bankers to lend today's equivalent of $5 million to an inexperienced young man (FORBES, *Jan. 25*).

In 1978 Berlusconi diversified into television with Telemilano, a tiny Milan TV station. He quickly grasped that the really big money was in broadcasting to the masses nationwide—and playing on close personal ties to Italy's Socialist prime minister, Bettino Craxi. The latter was especially important as Berlusconi energetically circumvented Italian laws prohibiting competition against the three government-owned national broadcasters. For television programming, Berlusconi brought in bulk soap operas, football games and other American shows and created a bonanza: Berlusconi now has some 60% of the total Italian television advertising market. Latest reported earnings exceed $100 million a year, and Berlusconi owns it all.

Having paid down once-substantial debt, Berlusconi, a major player in breaking down economic barriers between Western European countries, is now putting the cash flow to work in TV stations in such countries as France and Germany and buying up Italian movie theaters. (His reported goal is equity in 200 movie houses in the next few years: Berlusconi's firm has produced or invested in 70 Italian feature films in the last two years.) With perestroika freshening the air, Berlusconi recently persuaded the Soviets that advertising is an idea whose time has come, and has won exclusive right to represent any Western company advertising on Soviet television. Berlusconi's estimated net worth: roughly $1 billion in lire, and who knows how many rubles are in the offing.—**Tatiana Pouschine**

GIOVANNI AGNELLI AND FAMILY
Fiat Money

Demonstrating that no good industrial turnaround shall go unpunished, some of Italy's politicians are fussing over the Agnelli family's $3.8 billion fortune, Italy's largest. Only ten years ago Fiat, chaired by Giovanni (Gianni) Agnelli, was in crisis. Agnelli brought in top-notch management, including the tough Cesare Romiti, who invested heavily and stunned Italy by taking on the Communist-dominated unions and laying off 23,000 workers. Toughness worked. Last year Fiat, founded by Agnelli's grandfather and still 40% owned by the family, had operating income of $2.6 billion on revenues of $30 billion.

Paolo Siccardi/Contrasto/Picture Group

Giovanni Agnelli

Mostly through Fiat, the Agnellis control companies that make up a quarter of the market capitalization of the Milan stock exchange. It is this concentrated wealth that has the pols fussing. In January the Socialist party raised questions about the Agnellis' control of over 20% of Italy's newspaper sales. The Agnellis will, for now, get to keep their two huge and influential Italian newspapers, *Corriere della Sera* and *La Stampa*, but notice has been served.

Agnelli has been growing more interested in the U.S. Here he invests through 12%-owned, $1-billion-plus (estimated revenues) Ifint, which trades on the Luxembourg stock exchange, and does deals with people like William Simon. Gianni Agnelli, whose personal worth is estimated to be at least $1.5 billion, is treading more softly.—**Tatiana Pouschine**

BENETTON FAMILY
Easy Come, Easy Go?

Shy and soft-spoken Luciano Benetton wears blue jeans even when appearing before a formal audience and keeps his gray hair shoulder length. But there is nothing slovenly about Benetton Group, the $1 billion (sales) clothing company that he, his designer sister and his two younger brothers started 25 years ago in Treviso, north of Venice. In 1987 Benetton Group earned an impressive 10% return on sales. At recent stock market prices, the Benetton clan is worth upwards of $1.3 billion.

The Benettons

The Benettons are determined to continue growing rapidly. But can they? They say they'll have 900 franchised U.S. stores by 1990 (up from 760 today), and hundreds more outlets all over Asia, South America and even Eastern bloc countries. Yet even now the U.S. market seems saturated. Customers are complaining that the Benettons' once inexpensive clothing isn't anymore.

The Benettons currently are pushing into risky new areas: mail order, and introducing underwear, shoes and cosmetics. Last year the family even entered the competitive Italian financial services market, where much money is easily lost. Whether the Benettons will prove to be as good at holding on to their money as they were at making it remains to be seen.—**Tatiana Pouschine**

SALVATORE LIGRESTI
Bread And Wine And Baloney

Who is Salvatore Ligresti and how does he get away with so much? This mystery financier from Sicily accumulated what looks like a $1 billion fortune, mostly within a decade. But in 1987 magistrates seized 15 Ligresti office buildings on the outskirts of Milan. They said that Ligresti failed to procure the necessary building permits.

Then there is Ligresti's roughly 40% stake in SAI, one of Italy's largest insurance companies; this holding alone is worth almost $700 million. But in November Enrico Pianta, SAI's well-respected managing director, suddenly resigned. Soon afterward,

Olympia

Salvatore Ligresti

Raffaele Ursini, who had been arrested in 1978 for misuse of public funds, reportedly claimed that he never sold his 492,000 shares of SAI to Ligresti but only gave them as collateral for a loan. Now Ursini wants his SAI shares back.

Then, in December, Ligresti was sentenced to 22 months in prison on the building violation charges. Ligresti is appealing.

But this is Italy. In the midst of the uproar, Ligresti was appointed to the board of that very special, powerful and exclusive bastion of the Italian financial establishment, Mediobanca, the investment bank. According to the business magazine *Il Mondo*, Mediobanca may help Ligresti take public real estate holdings with a net worth estimated at more than $300 million.—**Tatiana Pouschine**

MICHELE FERRERO
Sticking To Sweets

Unlike Italy's other billionaires, Michele Ferrero has remained in only one business—candy—since taking over the family company in 1957. His Ferrero SpA, based in Pino Torinese, outside Turin, specializes in chocolates but has added other sweets to its line.

Ferrero's products, including Nutella, Mon Cheri chocolates and Tic Tacs, sell well in all major markets, including the U.S., Germany and the U.K. Over half of the company's $1.8 billion in annual sales are generated outside Italy. Ferrero's test market is Luxembourg, where new candy might be tested for as long as ten years and even then may still never be launched internationally.

Olympia

Michele Ferrero

Michele Ferrero did make one attempt to branch out—and it turned out to be a disappointment. In 1985 he joined pasta magnate Pietro Barilla and media billionaire Silvio Berlusconi in a nasty public bidding war against Carlo de Benedetti for the government-owned food conglomerate SME. Apparently unable to decide between such politically powerful rivals, the Italian government reacted sensibly. It canceled the proposed sale.—**Tatiana Pouschine**

Switzerland

STEPHAN SCHMIDHEINY
How To Keep A Family Business Healthy

Heir to four generations of a privately held family industrial empire, Stephan Schmidheiny recently spoke to the Swiss-American Chamber of Commerce in Zurich about the traps family companies often fall into. Rule number one: Stay private, no matter how good that free capital looks. "The family-owned enterprise," said Schmidheiny, "is not subject to a kind of plebiscite, a factor which all too often—in the U.S., for example—pushes big public companies into decisions motivated by short-term interests."

Rule two: Keep profits working inside the company. Schmidheiny: "One prerequisite for the long-term success of a family business is that profits are not usually paid out in the form of dividends, but reinvested in the company."

Rule three: Keep debt to a minimum. Stephan Schmidheiny's holding company, Hurden-based Anova, won't even issue bonds. If a family can't—or won't—subordinate short-term interests of current stockholders to distant future interests, then the family will one day be out of the business. It is as simple as that.

Rule four: Tightly link ownership and responsibility. Speaking of his own family's business, which started with a small brick factory in the 19th century, Schmidheiny said: "Family interests have been reallocated with each successive generation, to give one individual control of an independent part. . . . A family superholding has been consciously rejected in favor of the advantages inherent in smaller units where ownership and responsibility are in only one pair of hands."

RD2/Photo Reporters

Stephan Schmidheiny

D. Boschung

Thomas Schmidheiny

All this has worked for the Schmidheinys. Stephan Schmidheiny's portion, based on construction and diversified into banks, real estate and retailing, is worth some $2 billion. His older brother Thomas runs Holderbank, the largest cement company in the world, and has interests in real estate and a technology manufacturer. Estimated worth, some $850 million. A third brother, Alexander, has little to do with the business. A cousin runs a smaller but still sizable piece split off in an earlier generation.

In his talk, Schmidheiny avoided the family business' worst enemy: incompetent heirs. Stephan Schmidheiny recently bought control of Landis & Gyr A.G., a Zug-based maker of electromechanical and electronics equipment. There are no suitable successors in Landis & Gyr's third-generation founding family, so the board approached him to take over. For their part, the Schmidheinys have, for four generations now, found new family members to take the assets to new heights. And they needn't address the question for quite a while. Stephan is only 41; his brother Thomas, only 43.—**Richard C. Morais**

HANS HEINRICH THYSSEN-BORNEMISZA

Problems Of The Rich And Famous

Baron Heinrich Thyssen-Bornemisza, 67, has a problem: what to do with his enormous private art collection, generally considered second in size only to the Queen of England's. In April the baron agreed with the government of Spain to house 600 to 700 important paintings (he has 1,400) opposite Madrid's Prado. But this is a ten-year loan, not a permanent home. And there is the Villa Favorita, on the shores of Lake Lugano, where the baron lives with his fifth wife, 47-year old Carmen (Tita) Cervera, Miss Spain of 1961. But he would need a big building, and that would require reinforcing the property against the lake. "Otherwise the whole thing would fall in," explained a London spokeswoman.

RDZ/Photo Reporters

Baron Thyssen-Bornemisza

One problem the baron doesn't have is keeping Thyssen-Bornemisza Group in the family. The baron's grandfather, August Thyssen, built Germany's Thyssen steel. Now the current baron's eldest son, Georg-Heinrich, 38, is taking over.

The young man starts from an elevated base. In 1987 sales of Monaco-based Thyssen-Bornemisza Group were $2.8 billion; net income (no doubt understated for tax purposes) was $34 million. An international conglomerate with interests in glass containers, farm and poultry equipment, information systems and more, the group now books 40% of its sales in the U.S. With his son running things, the baron can devote more time to dealing with his art problems.—**Lisa Scheer**

RDZ

Maja Sacher-Stehlin

RDZ/Photo Reporters

Paul Sacher

PAUL SACHER AND MAJA SACHER-STEHLIN

Mystery Buyers

Who bought the $200 million block of shares in Swiss pharmaceutical giant F. Hoffmann-La Roche when the block came up for sale this spring? The stock was in the form of bearer shares, with no names given. But Maja Sacher-Stehlin and her family are the obvious suspects.

Maja, 92, is the widow of Emanuel Hoffmann-La Roche, who in turn was the son and primary heir of the drug company's 19th-century founder. Maja and Emanuel had two sons and a daughter before Emanuel died in a car crash in 1932. Two years later, Maja married Paul Sacher, a conductor and patron of the musical arts; he is now 82. The family's principal visible sign of wealth is the Paul Sacher Foundation in Basel, which collects Stravinsky memorabilia and last year bought the archives of American composer Elliott C. Carter.

The Sachers and some other Hoffmann-La Roche descendants own some two-thirds of the scarce voting shares (16,000 exist), worth around $1.3 billion. A company spokesman denies that "the family" bought more bearer shares last spring—but he agrees that "friendly Swiss institutions" might have bought. It's still possible, however, the founder's descendants, acting through friendly Swiss family trusts, increased their holding in this profitable company last spring.—**Richard C. Morais**

United Kingdom

ROBERT MAXWELL

Tomorrow The World?

Born Jan Ludwig Hoch in Czechoslovakia in 1923, Robert Maxwell has turned a stake in a war buddy's tiny science and technical publishing company into Maxwell Communications Corp., a $1.5 billion (sales) media empire, including British Printing & Communications Corp., Europe's largest printer, and the Mirror Group Newspapers, as well as Pergamon Press, the company that started it all. Through Liechtenstein-based Pergamon Holdings, Maxwell, a self-proclaimed socialist, holds 51% of Maxwell Communications, worth $1.2 billion. Expect more of Maxwell in the U.S., as the media baron makes clear in an interview with FORBES in this issue.—**Claire Poole**

Clive Arrowsmith

Robert Maxwell

GERALD CAVENDISH GROSVENOR

Legal Theft

For Grosvenor, sixth Duke of Westminster, the Leasehold Reform Act is legal theft. Passed by a Labor government in 1967, the act gave tenants the right to purchase the land underlying their residences, usually at a discount to market. By 1990 about a third of the young (36) duke's 100 acres in Mayfair—"a place of vice and impurities" when the family acquired it in 1677—should convert back to residential use from the temporary office designation the property received after World War II. More leaseholders will invoke their Leasehold Act rights.

But there are other opportunities. Grosvenor International Holdings, a $1.6 billion (assets) property investment group, has interests in Canada,

Homer Sykes/Camera Press

Gerald Cavendish Grosvenor

Australia and the U.S. In California GIH has a 220-acre business park in Fairfield, 615,000 square feet of high-tech and R&D space in Silicon Valley and an office building in Santa Monica. In Mesquite, Tex.; Eugene, Ore.; and Northbrook, Ill. The company owns large regional shopping centers, and it has a 620,000-square-foot commercial building in Honolulu.

Through Atlantic Freeholds, a partnership between Grosvenor and two U.K. pension funds, the duke bought the Olmsted Building in Washington, D.C. last year, and has a Washington office to look for more East Coast properties. Altogether, Westminster's net holdings total nearly $3 billion—the British bit bulking less all the time.—**Claire Poole**

DAVID SAINSBURY
Olde Englande, New England

Quietly and cautiously, Britain's $7 billion (sales) J. Sainsbury Plc. builds its New England foothold. In 1983 the very profitable supermarket chain began buying into Shaw's Supermarkets Inc., a $1.2 billion (sales), 50-store chain in New England. Last July it bought the rest and made Shaw's a subsidiary. Through Shaw's, it recently added Iandoli, a Worcester, Mass. chain of 10 supermarkets. At home, meanwhile, Sainsbury's has 279 stores and opens 18 to 20 new ones a year, generally outside the heavily saturated, high-priced London market.

Topham/The Image Works

David Sainsbury

Whether Sainsbury's U.S. expansion will accelerate will be up to David Sainsbury, who holds 25% of the stock. In November his cousin, Chairman and Chief Executive Sir John Sainsbury, 60, stepped aside while David, 47, advanced from finance director to deputy chairman. Betting is he will go on to chairman, making him the sixth Sainsbury to head the company. Together, the family owns over 50% of the company; their block of holdings was recently worth around $3 billion.—**Claire Poole**

SIR JOHN MOORES
He Can't Run It From The Grave

Sir John Moores

London analysts are buzzing that Liverpool's Littlewoods may finally go public. The rumors make sense. John Moores, now Sir John, founded the company in 1923 as a betting shop for soccer games and built it into a low-priced dry goods retail chain and mail-order house. Moores (plus a few relations) still owns virtually all the company, conservatively worth $1.6 billion.

But Moores is now 92. While none of his family has proved willing or able to run the company, two outsiders have been doing beautifully. In 1982 Littlewoods was going downhill fast. Moores brought in John Clement, also chairman of Unigate, and Desmond Pitcher, previously managing director of Plessey Telecommunications. They spruced up and expanded the stores, computerized the catalog business and added catalog shops. They have also followed Sears' and J.C. Penney's lead and ventured, cautiously, into more upmarket specialty areas like interior design centers.

All this helped Littlewoods' profits rebound smartly, to $136 million (pretax) last year, on revenues of $2.6 billion. How better for Sir John to reward Clement and Pitcher and keep them at the helm than by giving them a significant stake in a publicly traded company?—**Claire Poole**

SAMUEL, LORD VESTEY AND EDMUND VESTEY
Slaughtering Margins

As aggressive British grocers like the Sainsburys prosper, the Vestey brothers are getting squeezed. The Vesteys own a vertically integrated meat empire that was started by their grandfather in the last century. Today the empire stretches from vast cattle operations in Argentina to the 1,400-outlet J.H. Dewhurst Ltd., Britain's largest chain of retail butchers. In between are cold storage warehouses, shipping assets, insurance subsidiaries and a whole lot more. There are some 200 private companies under Union International Plc., which in turn is held by Western United Investment, the Vesteys' $2 billion (estimated assets) holding company controlled by the brothers through joint ownership of two £1 "management shares" each.

But Sainsbury's and other supermarkets' meat departments in the U.K. are beginning to steal customers from the somewhat higher-priced butcher shops like Dewhurst. The Vesteys could, of course, begin supplying the supermarkets on a greater scale. But that would slaughter their downstream margins.

Still, don't cry for the Vesteys. If all else fails (which it won't), they have a great deal of valuable London real estate to manage.—**Claire Poole**

Topham/The Image Works Times Newspapers Ltd

Samuel, Lord Vestey and Edmund Vestey

SWIRE BROTHERS
Comrade Partner

The Swires, China hands for five generations, do not fear Beijing's Communists. Swire Pacific was founded by their ancestor early in the 19th century. Today the group is a property, shipping, airlines (54% of Cathay Pacific), Coca-Cola bottling and trade combine that is still 28% owned by Sir Adrian, 61, and brother John, 56. Their holding is currently worth $1.25 billion.

Hong Kong will come under Beijing's administration in 1997, and many capitalists are selling out. The Swires are buying. Swire is building—and will own—a two-phase real estate project called Pacific Place. Phase I, totaling almost 1.5 million square feet of office and hotel space and 300,000 square feet of shopping space, will be completed late this year, but 90% of its office space was already let by last May. Jardine Fleming Securities estimates Swire's rental income will hit $1 billion in 1989. Phase II will be completed by 1991.

The group will also bid, with Browning-Ferris, on waste disposal contracts, and has joined a Hong Kong cable TV consortium. The most interesting venture of all, however, is Swire's bid to buy property in Shanghai. The bid clearly signals the brothers' belief that Beijing's Communists will allow private ownership and enterprise to thrive.—**Claire Poole**

South China Morning Post

John Swire

Topham/The Image Works

Sir Adrian Swire

West Germany

OTTO BEISHEIM
Germany Needs More Like Him

Otto Beisheim was an assistant manager in a wholesale electric firm when he visited the U.S. in the early 1960s. Here he admired the inexpensive distribution system of wholesale supermarkets—no-frills cash-and-carry businesses that sell consumer goods in bulk to retailers.

Beisheim was excited. In 1964, age 40, he quit his job and opened Metro-Markt. Two powerful German industrial families and Holland's Fentener van Vlissingens *(which see)* invested in Metro in 1967 and 1968. Their capital and Beisheim's entrepreneurial genius has turned Metro International A.G., based in Zug, Switzerland, into an $11 billion (estimated sales) empire, with over 103 outlets in 13 countries (at least 40 in West Germany). Its warehouse-style stores stock a limited—but very modestly priced—line of food and household items.

For a while, Beisheim was able to get around West Germany's silly *Ladenschlussgesetz* law, which requires retailers to close at 6:30 p.m. on weekdays. As a wholesaler, Beisheim kept Metro open at least until 9 p.m. and sold to anyone carrying a special Metro card. The card, however, was readily available to German consumers—until 1985, when an irate West German Retail Trade Association sued Metro for "illegal and unfair" business practices.

Beisheim is new on our list. His estimated 23% holding in Metro is worth $688 million. But he has other holdings. These include office machine and typewriter manufacturer Pelikan A.G., which Beisheim took over in 1983 and floated in Switzerland in 1986; his 60% is worth $53 million. He also owns 33.3% of Kaufhof A.G., a large West German department store group; this stake is worth $266 million.

Now 64, Beisheim is a recluse. He is said to communicate with his senior executives by facsimile machine. Married but childless, he reportedly shuttles between residences in Lugano, Switzerland, Rottach-Egern, West Germany and Bal Harbor, Fla. It is unclear what will happen to Metro after Beisheim.—**Lisa Scheer**

ALBRECHT FAMILY
Very Quiet Money

A couple more newly uncovered billionaires, brothers Karl and Theo Albrecht, have operated for a long time on a principle of Karl's: "Poor people have to buy cheaply, rich people like to." They began applying this after World War II, from their mother's grocery in Schonebeck, a mining suburb of Essen. Today Karl, 67, and Theo, 65, own Aldi's (for Albrecht Discount), West Germany's largest food chain. The $10.8 billion (1987 sales) discount empire runs some 2,000 supermarkets and employs more than 20,000. The family net worth, including outside interests, is estimated at over $1.2 billion.

The brothers found their present concept in the early 1950s, when they stripped their stores of decoration, advertising and expensive equipment, limited the stock to about 300 quick-selling items, and sold at prices as much as 20% below the competition. To cut costs to—and into—the bone, the Albrechts do obvious things like eliminating fresh foods, an expensive line—and less obvious things, like eliminating branch managers' telephones and telling the managers to use the closest pay phone.

DPA

Theo Albrecht

In 1971 kidnappers grabbed Theo Albrecht and received DM7 million ransom. He was released 17 days later. Since then the brothers have, understandably, kept very much to themselves. They have also subdivided the business into 32 legally independent regional companies, each of which is too small to be required to disclose financial statements.

Like other German billionaires, the brothers have expanded outside the confining economy of Germany, but less aggressively than some. They own the $100 million (estimated sales) Benner Tea Co. of Iowa (now known as Aldi-Benner) and 10.92% of $2.2 billion (market capitalization) Albertson's Inc., a U.S. supermarket chain based in Boise, Idaho. On his own, Karl Albrecht owns DM1 billion (sales) Hofer Markets in Austria; Theo owns the Lansa stores in Belgium and the Combi chain in the Netherlands. The Albrechts' success, in short, is as impressive as it is quiet.—**Lisa Scheer**

QUANDT FAMILY

The Yakuza Factor

Herbert Quandt (who died in 1982) probably paid under $1 million for 26% of BMW in 1959. Today the Quandts, led by Herbert's widow, Johanna Quandt, 63, own a 66% (currently worth $2.9 billion) block of the company.

Future appreciation, however, will be harder to come by. Between the aggressive Japanese carmakers and the weak dollar, BMW's U.S. market is under pressure. Lately BMW has been going where the new money is: Japan, where it has had considerable success despite tariffs and sundry nontariff barriers. Among the latter is the fact that BMW's high-priced cars are so identified with Japan's *yakuza,* or gangsters, that some restaurants refuse to let BMWs park out front.

Wolf P Prange

Herbert Quandt

Taking some of their eggs out of the luxury car market basket, Mrs. Quandt and her family are looking into things like genetic engineering and homeopathic medicines. Last July they visited Minneapolis, home of DataCard Corp., for which they paid $174 million cash in August. DataCard is the world's largest maker of plastic credit and bank cards, which the Quandts plan to sell to Europeans, who still lag Americans in using plastic money. Apparently the Quandts didn't like what they saw. In February they forced out the American chairman. —**Lisa Scheer**

PRINCE JOHANNES VON THURN UND TAXIS

American Beachhead

Comes now another German billionaire—this one armed with his sensual young (28) wife, "Princess TNT"—looking for U.S. investments. In December, in a deal put together by Salomon Brothers, Prince Johannes von Thurn und Taxis, 62, bought 37% of Philadelphia investment banker Butcher & Co. The prince wants Butcher to advise his private bank (Fürst Thurn und Taxis) on U.S. stock, real estate and venture capital opportunities. Makes sense. The bank's clients, including the prince and princess, are underweighted in investments outside Germany, at a time when the deutsche mark is strong. The prince, says spokesman Manfred Heiler, is scouring the southeastern states for office buildings and shopping centers.

Meanwhile, back in the homeland, $333 million (sales) Doduco, based in Pforzheim, is probably the largest part of the prince's empire. Doduco makes industrial electronic components. Other businesses include breweries, farmland and forestry, metals trading and office buildings. Total net worth of this fortune that began with a private mail service initiated by Franz von Taxis in 1490? "I really don't know," said the prince in a *Connoisseur* magazine interview in January. "The family has owned 18 castles, and in some of them they're still making inventories started in the 17th century." A reasonable estimate is $1.5 billion to $2 billion.—**Lisa Scheer**

David Montgomery

"Taxiboy" and "Princess TNT"

REINHARD MOHN

Investing For The Long Term

If the world's biggest media conglomerate, $6.4 billion (revenues) Bertelsmann A.G., were publicly traded, the Mohn family's personal worth would probably be considerably less this year than last. In 1986 Bertelsmann paid $330 million for the record division of RCA, which was losing money at the operating level, and two weeks later bought Doubleday, which was facing declining sales in a competitive market, for $475 million. Claire Kent, an analyst of German equities with Morgan Grenfell in London, says those acquisitions and the falling dollar squeezed Bertelsmann's margin from 4.3% to 2.3% in 1987, when earnings fell to $115 million.

DPA

Reinhard Mohn

But Bertelsmann isn't publicly traded. Reinhard Mohn, 68, and his family own 89.3% of the company; another publisher (Gerd Bucerius) holds the balance. Mohn can and does invest for the future, temporary earnings swings be damned. Mark Wössner, chief executive of Bertelsmann, predicts that by 1990 the U.S. acquisitions should be contributing $120 million in operating earnings. Mohn and family are still worth a minimum $2.2 billion.

Mohn, who spent three years at a POW camp in Concordia, Kans. in WWII, resurrected his family's publisher of hymnals and prayer books in the 1940s and pioneered in book clubs in the 1950s. Book clubs are still Bertelsmann's major growth engine. But the weak dollar, stagnating markets in Europe and stiff German anticartel laws will encourage Mohn to make more acquisitions outside Europe, especially in the U.S.—**Lisa Scheer**

RUDOLF AUGUST OETKER AND FAMILY

Rudolf Oetker's Soft Shoe

Herr Oetker is something of an eccentric. He eschews fashionable neckties, takes the train to his Bielefeld office, and wears 20-year-old shoes. But don't be misled. Oetker is the supervisory chairman and, with his family, owner of Oetker Group, a huge brewing, food, insurance and shipping conglomerate. Revenues in 1986 were $1.6 billion, cash flow $138 million. Rolf Muhlmann, spokesman for the group, admitted that revenues are "a bit understated," since a bank, for example, is not included in consolidated statements. Analysts figure the Oetker clan's holdings are worth at least $2 billion. Oetker officially retired in 1981 at 65 but still advises the business.

Oetker's family was killed in a bomb raid in World War II. Starting in 1944, at age 28, he rebuilt the family food business, diversifying along the way into breweries, banks and insurers, among other things, and amassing an impressive commercial shipping fleet. As Europe prepares for integration in 1992, Oetker plans to invest in food businesses in southern Europe, where food is produced at low cost. Oetker Group's $778 million (sales) food division, led by his oldest son and likely heir, 44-year-old August, is looking for joint ventures in France, Spain, Italy and Turkey. Last year the group bought 70% of Genoa-based Industria Ligure Té (Ilté), a small tea company. Now 72, Rudolf Oetker gets a lot done in his comfortable old shoes.—**Lisa Scheer**

Wolf P. Prange

Rudolf Oetker

BRENNINKMEYER FAMILY

Almost Invisible—Almost

Few rich people like the spotlight turned on them, but the Brenninkmeyer clan's penchant for secrecy is legendary. Said to number several hundred—about 50 seem to run the family businesses—many family members live together on a supersecure estate in Germany. They are said to be devout Catholics whose sons are expected to go into the 147-year-old business. Deeply fearful of kidnappers, the family sent two of its daughters to Boston University under assumed names.

A little more is known about their decentralized business dealings. Amsterdam-based Intercena runs the Brenninkmeyers' C&A chain in Holland. Amcena Corp., a New York holding company for Brenninkmeyer NV, represents family interests in the Howland-Steinbach department store chain; Miller's Outpost, a specialty retailer in California; and Maurice's in Minnesota, among others. Total U.S. stores now: around 400. There are many more stores in Britain, Spain, Brazil and other countries, as well as a web of real estate companies.

Here's some light: In West Germany the Brenninkmeyers' 144-store chain must report figures. In 1986 (1987 figures are not yet available) the German C&A department stores reported earnings of $117 million on sales of $3.5 billion. It's safe to estimate that the German segment alone is worth some $3 billion.

HERZ FAMILY

Max Herz' Bright Boys

When Max Herz died in 1965, he left behind a coffee mail-order and retail business, his widow, and children, including two sons, Günter and Michael, who assumed leadership of the company in their 20s. The boys lacked experience, but not energy and creativity.

By 1983 Günter Herz, now 47, and brother Michael, 44, had expanded their father's Tchibo Frisch Röst Kaffee Max Herz K.G. into 500 stores and added a new concept: 25% of the Hamburg-based coffee chain's stores were stocked with noncoffee goods, from bottle openers to surfboards, tennis rackets to bicycles, all sold cheaply. A consortium of establishment consumer electronics retailers and manufacturers led by Sony and Philips NV tried to halt Tchibo's aggressive growth by winning an injunction against the upstart chain for selling Japanese VCRs at cut-rate prices. The move failed. Last year sales of Tchibo Frisch Röst Kaffee A.G., the retail part of the group, reached $1.6 billion.

In 1970 the Herz brothers tried to buy a majority stake in Kaiser's Kaffeegeschaft, a foodstuffs chain, but they failed. In 1974 they bought 27% of $1 billion (present market cap) Beiersdorf A.G., known primarily for its Nivea brand hand and skin lotions. In 1980 they bought 53% of Reemtsma Cigarettenfabriken GmbH. Germany's second-largest cigarette company (Peter Stuyvesant brand), Reemtsma also owns breweries: Tuborg of Denmark and Bavaria St. Pauli's, among others, and recently reported it had $389 million in cash for more acquisitions.

The brothers Herz have also acquired a harness racetrack in Hamburg-Farmsen, a trotter stud farm in Schleswig-Holstein and real estate in Canada.

In 1986 the Tchibo Group reported net earnings of only $54 million on sales of $3.3 billion. Like most European family businesses, this one is run with the tax collector in mind. In all likelihood, Tchibo is worth at least $1 billion.—**Lisa Scheer**

HENKEL FAMILY

Hanging On

A senior Henkel family member is said to have scolded a young female relative and shareholder who wanted a bigger dividend from the family company, Henkel KGaA. "You have one fur coat," the elder observed. "What do you want with two?"

It's hard to say how the fourth-generation Henkels will do (not well, one suspects), but the third, and current, generation has shown lots of energy and imagination. Chemist Hugo Henkel, son of the founder, dramatically changed German markets in 1907 with Persil, a self-acting detergent that eliminated scrubbing. Henkel KGaA is now one of the world's largest detergent and specialty chemical producers. Last year Henkel earned $162 million on $5.1 billion sales.

Konrad Henkel, the founder's grandson and supervisory chairman, has used the dollar's periodic weakness well. Henkel KGaA bought 26% of Loctite Corp., an adhesives manufacturer, in 1985. He increased Henkel's stake in Clorox from 23% to 24%, bought a metal finishing company from Ford and a chemicals operation from Occidental Petroleum. Joint ventures have put Henkel into Japan and Korea.

Wolf P. Prange

Konrad Henkel

The Henkel clan now approaches 70 in number. To get more liquid, the Henkels sold the public about one-third of their company, in nonvoting stock, in early 1986. They are said to plan on holding their voting stock—worth over $2.1 billion—until at least the year 2000. Then the spoiled fourth and fifth generations can buy all the fur coats they want.—**Lisa Scheer**

ERIVAN HAUB
Pizza Mit Schnitzel, Bitte

In West Germany everyone knows Tengelmann, a 3,000-store food chain. Most Dutch consumers know Hermans Groep, one of Holland's largest food chains, as most Americans recognize the A&P name. But does anyone know Erivan Haub, the publicity-shy owner of Tengelmann, Hermans Groep and 52% of A&P? Haub is the great-grandson of Wilhelm Schmitz-Scholl, a merchant from Mülheim who founded Tengelmann in 1876 as a wholesaler of coffee, cocoa and tea. According to Baring Securities' Gebhard Klingenstein, $16.6 billion (1987 consolidated sales) Tengelmann is now worth at least $2.5 billion. Erivan Haub, 56, is its sole owner.

Wolf P. Prange

Erivan Haub

Like many West German capitalists, Haub has long been expanding abroad, and profitably so. A&P lost $323 million between 1979 and 1982. But under James Wood, an Englishman recruited by Haub from Grand Union in 1980, it has turned around, and last year earned $103 million on sales of $9.5 billion. Haub sees opportunity at home, too. In a joint venture with PepsiCo, Tengelmann is now opening a series of Pizza Huts in West Germany.—**Lisa Scheer**

FRIEDRICH KARL FLICK
"Muck," "Mick" And Mire

Tainted by scandal and threatened with litigation by his own family, Friedrich Karl Flick, F.K.F. to his friends, can still take some pride from the fact that, at over $3 billion, he is one of Europe's richest men.

Flick's nephews, Gert Rudolf and Friedrich Christian—respectively, Muck and Mick to the popular press—are threatening to sue F.K.F. for DM1 billion ($556 million) over his 1986 sale of the family business empire, Friedrich Flick K.G. (named after his father, the founder) to Deutsche Bank for DM5.3 billion, or over $3 billion at the time. The business was sold following revelations of illegal payments of laundered cash to politicians for tax favors. The "Flick Affair" also brought down West Germany's economics Minister and earned F.K.F. the tag "Paymaster of the Republic." Muck and Mick reportedly received DM308.5 million in 1975 for their portion and another DM225 million in 1985.

Strangely quiescent then, they now clamor for a redistribution of the Flick inheritance. Stay tuned.—**Lisa Scheer**

WILHELM VON FINCK
AUGUST VON FINCK
Good Career Choice

August von Finck once said he would rather have been a farmer than a banker, but banking has been good to him. August, 58, and his brother Wilhelm, 60, own Munich's Merck Finck & Co. Possibly the second-largest private bank in Germany, it specializes in investment banking and loans to medium-size and large Bavarian firms, and is joining London insurance broker Sedgwick Ltd. to offer customers trade insurance.

Grandfather Wilhelm von Finck founded the bank in 1870 and invested in Germany industry—and in land. The family owns 10,000 acres of farm and forest land around Munich.

Wolf P. Prange

Wilhelm and August von Finck

Mostly through Merck Finck & Co., the family owns a majority of brewer Würzbürger Höfbräu, two champagne producers, a food and furniture firm, a nuclear power company (Isar Amper Werke A.G.) and 5% or so of West Germany's largest insurance companies (Allianz Insurance and Münchener Rückversicherung). The family also owns 90% of brewer Löwenbräu A.G. of Munich. In March, August von Finck sold the family's 25% of Hochtief, a construction firm, on the Frankfurt Exchange, for $422 million. That plus other holdings are estimated to be worth at least $2.5 billion.—**Lisa Scheer**

SCHICKEDANZ FAMILY
Mail-Order Billionairess

Grete Schickedanz is keeping her investments at home. With daughter Madeleine Bühler and stepdaughter Louise Dedi, Grete owns Fürth-based Quelle. Quelle is Europe's largest mail order house (1987 revenues, $6 billion), with interests in everything from banks to travel services. The hefty Quelle catalogs—16 million are mailed twice yearly—offer 45,000 items from garden tools to fashion accessories.

Last year Quelle bought a majority of $333 million (sales) Sinn A.G., a Cologne-based department store chain. This year it is investing $194 million to refine, among other things, its catalog product mix and reformat more than 20 existing Quelle department stores for German consumers who are into more upmarket, trendy merchandise.

Gustav Schickedanz started Quelle in 1927, figuring German farmers would embrace mail order; Grete, now 76, was an early employee. He invested in a paper company, banks and breweries during the 1930s. Wiped out in World War II, Grete rebuilt from a small textile shop. Gustav died in 1977. The family company, Gustav und Grete Schickedanz Holding K.G., owns the paper company, brewer Patrizier Bräu, insurance and leasing companies and valuable real estate in Bavaria. The Schickedanz' net worth: at least $1.2 billion.—**Lisa Scheer**

DPA

Grete Schickedanz

VON OPPENHEIM FAMILY
Bankers' Bicentennial

The Oppenheims, who operate through their Cologne-based bank Sal. Oppenheim jr. & Cie, enjoy a reputation for shrewdly judging risk. The bank was founded in 1789 by 17-year-old Salomon Oppenheim Jr., who became the first Jew elected to Cologne's Chamber of Commerce. The Nazis did not kill the Oppenheims (under Third Reich laws they were only one-quarter Jewish) but did arrest two family members in 1944 as suspects in the assassination attempt on Hitler. In 1938 the Oppenheims were forced to rename the bank Pferdmenges & Co. after a partner who shepherded the family's assets. The bank's original name was reinstituted in 1947. It is now run by Alfred von Oppenheim, 54, his cousin Manfred von Oppenheim, 64, and a relative by marriage, Matthias Graf von Krockow, 39. Alfred is also president of the Düsseldorf Stock Exchange.

Wolf P. Prange Wolf P. Prange

Alfred and Manfred von Oppenheim

In 1987 total group assets were DM12.6 billion ($7 billion), and the family is worth maybe $2 billion. Where are they putting their, and their clients', money? Into high-yielding European bonds, especially foreign bonds denominated in deutsche marks. All foreign bonds are exempt from a proposed German 10% withholding tax on interest income that would go into effect January 1989, "a very important factor for our clients," comments bank spokesman Walter Damm.—**Lisa Scheer**

WERHAHN FAMILY
All Quiet On The Werhahn Front

Very little is known about the Werhahn family of Neuss. The Werhahns like it that way. Here's what is known: Bankhaus Wilhelm Werhahn K.G. (1986 external sales, DM3.62 billion, or $2 billion), privately owned by the Werhahns, acts as a holding company for the family interests. These include 10% of the Hoesch steel company; 7% of RWE, one of West Germany's largest electric utilities; and 50% of Strabag Bau A.G., a German construction group.

Wolf P. Prange

Herbert Werhahn

The Werhahns also have holdings in some 70 domestic companies, plus a number of foreign and minority holdings. Last October they sold $1.1 billion (sales) Co-op, a Frankfurt-based food retail chain, to a group of Swiss banks. All in all, the very private Werhahns' visible holdings are conservatively estimated to be worth $2 billion.—**Lisa Scheer**

Austria

SWAROVSKI FAMILY
Rhinestone Billionaires

For four generations, Austria's Swarovski family, new this year on the list, has dominated the world's trade in rhinestones. Founded by Daniel Swarovski in 1895, D. Swarovski & Co. today accounts for 75% of the world volume in glass stones and crystals. What with rhinestones hot again in the fashion world, the Swarovskis say the company nets 15% aftertax on revenues of $1 billion.

Kevin Galvin

Daniel and Manfred Swarovski

D. Swarovski & Co. remains a paternalistic company that benignly governs its pleasant little Tyrolean company village of Wattens. The Swarovskis spend 6% of revenues on R&D and as a result produce what most experts consider to be the world's highest-quality glass and leaded crystal figurines. The company is owned by 31 family shareholders, all descended from the founder, Daniel Swarovski, and unofficially led by Gernot Langes-Swarovski.

To further buffer their revenues against the fickleness of fashion designers, the Swarovskis are now branching out into retail. They have opened fashion jewelry stores in Australia, England and Paris, and have created their own brand-name lines of costume jewelry. When first peddling Silver Crystal in the early Eighties, the Swarovskis blundered by selling their exclusive-image figurines through too many nonexclusive outlets. But if history is any guide, the family will learn and profit from these early mistakes.

(For more on the Swarovskis, see FORBES, *May 30.*)—**Phyllis Berman**

Holland

ANTON DREESMANN

Paving The Way

Now 65, Anton R.C. Dreesmann has suffered several strokes. Yet still he builds. Since January, Vendex International, the Dreesmann family's $8.2 billion (sales) company, has picked up drugstore chain Drogasil in Brazil, a stake in B. Dalton booksellers and its partner Barnes & Noble in the U.S., a furniture chain in Belgium and a travel firm in Holland. During last October's crash Vendex bought over half a million nonvoting shares of Arkansas-based Dillard Department Stores.

Robert Sweers, head of institutional research for Banque Paribas Nederland in Amsterdam, values Vendex International at some 2.5 billion guilders, or $1.2 billion.

ANP

Anton Dreesmann

But Dreesmann, who once taught economics at the University of Amsterdam and is still called professor, is aware of his mortality. With no one in the family to run the company, Dreesmann will take it public by 1990. His handpicked successor will be Arie van der Zwan, former head of a Dutch investment bank and member of a left-wing think tank in the early 1970s. Van der Zwan, like Dreesmann, is a university economics professor and is recognized as a brilliant intellectual.—**Lisa Scheer**

FENTENER VAN VLISSINGEN FAMILY

Survivors

New to our list this year, the three Fentener van Vlissingen brothers share a fourth-generation Dutch fortune easily worth a billion dollars. Paul, 47, is chief executive of SHV Holdings NV, an international energy company with a wholesale consumer-goods arm. John, 49, runs Noro Group, a Dutch investment fund with $2.4 billion under management. Flint is run by Frederik, 55.

This is fairly old money. The fortune grew out of a coal-trading cartel founded in turn-of-the-century Holland by two Dutch families who intermarried and ran the business together for 50 years. Great-grandfathers Frederik Fentener van Vlissingen from Amsterdam and Hendrik Adriaan van Beuningen, a railroad official in Utrecht, fueled Holland's industrial revolution by importing coal from Germany's Ruhr Valley.

Alas, the van Vlissingen/van Beuningen profits also fueled the envy of the German Coal Syndicate, whose exclusive license was making the Dutchmen so rich. The syndicate demanded, and got, 49% of SHV Holdings. But the wily Dutchmen had already taken the precaution of diversifying, investing in Holland's awakening industrial companies and holding those investments outside of the coal company.

The growing fortune survived World War II. But a more serious threat was interfamily quarreling that flared in the third generation. In 1954 the founders' families finally split: The van Beuningens got Unitas, while the Fentener van Vlissingens took SHV. The Fentener van Vlissingens clearly cut the better deal. They moved from waning coal to waxing oil and gas, and then into a consumer-goods wholesaling operation. Makro, as it is called, now accounts for three-fourths of SHV's sales ($4.5 billion) and almost two-thirds of assets ($2.3 billion), and is spreading beyond Europe to Brazil and Argentina.

ANP

Paul Fentener van Vlissingen

The Fentener van Vlissingen family is now moving deeper into oil, spending some $150 million to extend their interests in the North Sea's rich Brae field. Brae is expected to reach full production in the 1990s. Having survived two world wars, inheritance taxes and family quarrels, this fortune seems destined to grow well into the next century.—**Lisa Scheer**

France

BOURIEZ FAMILY

Ici On Parle Wal-Mart

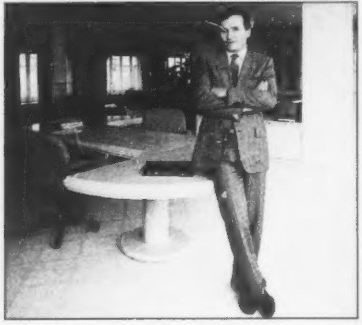
New to our list this year, the Bouriez family, led by Philippe Bouriez, 54, likes to understate the success of the family retailing company, Cora-Révillon. Talk about success might merely attract more competitors. Bouriez insists that Cora-Révillon's sales are about $5 billion. But industry observers say $6 billion or $7 billion is closer to the truth. Even at Bouriez' figure, the family is worth an estimated $1 billion.

The Cora part of the business operates supermarkets and smaller-scale superettes; these make Cora-Révillon a major French food retailer. Cora also owns a number of hypermarkets, emporiums selling everything from food to clothing to lawn mowers under one roof. The Révillon part of the Cora-Révillon name, meanwhile, comes from the family's world-famous fashion fur house.

Do furs, artichokes and lawn mowers mix? In this case they do. Philippe Bouriez' Franco-Belgian ancestors founded the chain in the 19th century. In effect, he piggybacked on someone else's success, licensing the right to use the respected Carrefour name. Why did Carrefour let Bouriez in? Because Carrefour was expanding rapidly in France's larger cities, whereas Bouriez—like Sam Walton and his Wal-Mart stores in the U.S.—targeted smaller towns. Once Bouriez' stores were opened, they were relatively safe from competitors, since the towns

Bouriez chose were generally too small to support more than one big retailer. By 1975, when Philippe, Michel and Jacques took over operations from their father, André, the stores were so well entrenched that the brothers (and their two sisters, who inherited equal shares) dropped the Carrefour connection and put their own name, Cora, on their stores.

Delluc/L'Expansion



Philippe Bouriez

There is also a buccaneering side to the family. Elder brother Michel Bouriez, 55, has been charged with obtaining a building permit through bribery. He spent three weeks in jail on that charge, although he has not been convicted and the case is still under investigation.

But the family also enjoys a reputation for capable management and intelligent diversification. In 1981 the Bouriez family acquired Révillon for 1.2 billion French francs ($200 million). Other small businesses include Editions Mondiales, a publisher of French pulp romance magazines, and a small perfume business. In 1986 Philippe bought 2% of TF1, the popular TV network controlled by compatriot Francis Bouygues and Italy's Silvio Berlusconi *(which see)*.—**Diana Fong**

PEUGEOT FAMILY
The Last Major Family Car Company

France's $19.5 billion (sales) Peugeot S.A. is the world's last major automobile maker still absolutely controlled by its founder's descendants. A few dozen Peugeots today own 26% of the company, but their shares enjoy double voting rights. Peugeot S.A.'s current market value: $5 billion, up from $3.7 billion at the end of last year. Thus has the family earned a place on this year's billionaires roster.

The Peugeot fortune traces to the 18th century and a metal foundry in France's Montébeliard region, near the Swiss border. Hardworking Huguenots with Swiss banking connections, the Peugeots became renowned for quality products ranging from coffee grinders to bicycles. Armand Peugeot—the great-granduncle of Bertrand, Roland and Pierre—believed in the automobile. Since producing their first car in 1899, the Peugeots have produced 19 million to date.

T. Ribolowsky/R.E.A./Picture Group

Pierre Peugeot

Richard Kalvar/Magnum

Roland Peugeot

In the 1970s the company nearly sank. The purchase of Citroën, another French automaker, was a mistake because Citroën was itself in bad shape. Then came another bad acquisition: In 1978 Peugeot-Citroën bought Chrysler Europe just before more fuel-efficient Japanese cars became popular. Meanwhile, the Peugeot reputation for quality had faded. If that weren't enough, the French government and France's Communist-dominated autoworkers union favored state-owned Renault in an ugly effort to drive private Peugeot under. But the story has a happy ending. Jacques Calvet was voted in as chairman by the family in 1982. Calvet took strikes, fired unproductive workers and, by 1985, restored Peugeot to profitability. Now the leader in France with 32% to 33% of the market, Peugeot is well positioned for 1992's European market, where it is third after Volkswagen and Fiat.

Unlike Schlumberger and Michelin, where family members are forbidden to work, Peugeot is loaded with Peugeots. First cousins Bertrand, Roland and Pierre Peugeot are the principal shareholders and all are Peugeot executives. But it is no family featherbed. "The Peugeot heirs must be satisfied with salaries based on merit," reports Alain Jemain, author of the recent book *Les Peugeot.* "They are not entitled to fat dividends as their birthright." The Calvinist ethic is alive and well at Peugeot.—**Diana Fong**

SCHLUMBERGER FAMILY
Vive Mitterrand

After a period of setbacks, things are again looking up for the Schlumbergers. Schlumberger, Ltd., the world's leading oil services company, is benefiting from increased drilling activity in North America. The family—including the American side, headed by Dominique de Menil and Pierre Schlumberger of Houston—owns 20% to 25% of $9.3 billion (market value) Schlumberger, Ltd., which has been run by professional management since 1965.

In France the Seydoux branch of the family—Jérôme, Nicolas and Michel—are receiving much attention now that the socialist family's old friend, François Mitterrand, is staying on in the Elysée Palace. While Nicolas and Michel run film production companies, Jérôme runs Chargeurs S.A., a $1.8 billion conglomerate that includes UTA, France's largest private airline. Last year Chargeurs stock took a beating on the Paris Bourse. But with Mitterrand reelected, there is speculation that UTA, which mostly flies to Third World countries, will acquire the much coveted Paris-Newark route. Immediately after the election, Chargeurs stock rose 10%.—**Diana Fong**

Patrick Hamon/Keystone Picture Group

Jérôme and Nicolas Seydoux

LILIANE BETTENCOURT
Life Is Tough

"It's irritating to be rich," griped Mme. Liliane Bettencourt, 65, heiress to the L'Oréal fortune, in a rare interview with France's *L'Égoïste.* "Why should one apologize for having money? It started with my father, an idea, hard work, others who succeeded him and expanded the company. Should one be proud or ashamed?"

Lesegretain/Sipa

Liliane Bettencourt

Proud, obviously. Mme. Bettencourt is the richest individual in France, owning 28% of the world's leading cosmetics company (worth $840 million), plus some 4% of Swiss food giant Nestlé (worth $519 million). She got her Nestlé shares when she sold that company half of her L'Oréal shares in 1974; Nestlé has the right to buy out Mme. Bettencourt altogether in 1994.

Bettencourt, who also owns a 25% to 30% stake in L'Oréal's private American licensee Cosmair, lives quietly with husband André, a former Gaullist minister, in an elegant townhouse outside Paris. They have one married daughter, Françoise, who, unless things go seriously wrong, will one day succeed her mother on this roster of billionaires.—**Diana Fong**

Sweden

HANS AND GAD RAUSING
Big Profits In Small Packages

Hans Rausing

Gad Rausing

Enormously successful in much of the world, Hans Rausing, chairman of Tetra Pak, still makes no money in the U.S. Is he discouraged? Not at all. "Packaging is an uncertain kind of business," he says. "Things today are not the same as things tomorrow."

Tetra Pak, created by his father, owns technology for packaging liquids—from milk to apple juice—so that they can be transported and stored without refrigeration. In 1986, the last time the company released figures, Tetra Pak reported revenues of $2.6 billion. It is owned entirely by Hans Rausing, 62, and his brother Gad, 66, a University of Lund archeology professor.

In the U.S. the $500 million aseptic packaging market is still in its infancy. Tetra Pak dominates (with about 70%) but faces fierce competition from International Paper, Ex-Cell-O Corp. and West Germany's Combi Block. Glass and plastic bottles are still far more popular here than abroad, and U.S. dairies have shied away from ultra-high-temperature milk, which is necessary to avoid refrigeration.

On the other hand, one does see more and more small, brick-shaped juice packs in the stores. Great for kids, campers and picnics, many of these packages are produced by Tetra Pak and give Hans Rausing reason to believe he'll one day be highly profitable in the U.S.—**Lisa Scheer**

INGVAR KAMPRAD
Penny-Pincher

Ingvar Kamprad, another new entry on our list, doesn't act much like a billionaire. He stays in cheap hotels, wears worn sweaters, shuns long-distance telephone calls and takes the employee discount on purchases from Ikea, the Humlebaek, Denmark, furniture retailing chain he founded in 1953 and still privately owns. Kamprad runs Ikea stores the same way he dresses: Watch the costs and never mind the frills. Which is one reason the chain's profits rose 45%, to $155 million, last fiscal year ended Aug. 31, on sales of $2.1 billion.

After World War II, most Europeans bought furniture from large department stores or cartelized local shops. Delivery was slow, price high. But in 1950 Kamprad sent out a catalog of good, cheap mail-order furniture. The response was encouraging. He experimented with several retail concepts before hitting on the right formula: unassembled, boxed furniture of attractive Swedish design picked up by customers at self-service warehouses at savings of 30% to 50%. Nearly debt-free, Ikea now has 77 stores in 18 countries, including recently opened outlets in Pennsylvania and Virginia suburbs (FORBES, *Mar. 21*).

Ingvar Kamprad

Now 62, Kamprad lives as a tax exile in Lausanne, Switzerland. From there he runs Ikano Group, a family holding company that handles Ikea's credit card business, owns land under the Scandinavian stores worth an estimated $250 million and makes investments. Kamprad has registered Ikea as a Dutch foundation to avoid confiscatory Swedish inheritance taxes on his $2-billion-plus fortune. This would give his three sons—ages 19, 22 and 24—a shot at managing the company, if they want it.

Middle East

THE AGA KHAN IV

Quite A Zakat

Karim Al Hussaini presides over one of the world's most unusual fortunes. Upon his grandfather's death in 1957, he became the Aga Khan IV, the 49th hereditary leader of millions of Ismaili Moslems living primarily on the Indian subcontinent, East Africa and Syria. Members of an Islamic Shiite sect, these Ismailis revere their spiritual leader, treat his utterances as law and give him a *zakat*, or Muslim tithe as prescribed in the Koran, of up to 10% of their net personal incomes. Not everyone, of course, pays up. But the result is an annual income estimated at more than $100 million. By tradition and court rulings, that money belongs to the Aga Khan personally to be spent as he alone sees fit. Much of it goes for good works—hospitals, schools, mosques—but there seems to be plenty left over for the head man.

Ismailis are renowned business people, and the Aga Khan is no exception. In his three-decade reign, the Aga Khan, now 50 and a big advocate of Western-style economic development and investment, has amassed a personal net worth well over $1 billion.

He lives extremely well. Unlike his father, the late Aly Khan, who counted Rita Hayworth as one of his four wives, the current Aga Khan has been married to the same woman for 19 years and is the father of three children. He is the ultimate cosmopolite—Middle Eastern by heritage, Swiss by birth, Kenyan by early rearing, American by higher education (Harvard '59), British by passport, French by primary residence (a 200-acre estate near Paris) and most everywhere for investment.

The Aga Khan IV

AFP

Largely through his reported 70% ownership of Fimpar, a publicly traded Italian company, he controls the luxury Ciga Hotel chain of Italy as well as hotels in other European countries. He heads a consortium that owns Costa Smeralda, a ritzy 32,000-acre coastal resort on Sardinia. He has two Mediterranean airlines, Alisarda and Avianova. On the sporting side, he owns 500 Thoroughbreds, many of them champions. One, Kahyasi, won the prestigious English and Irish derbies last month. Some experts value the Aga Khan's racing interests alone at more than $200 million.

Interests in nearly 60 banks, insurance companies, property firms, factories, mills, hotels, resorts and service companies in about a dozen Asian and African countries are grouped under the Aga Khan Fund for Economic Development, actually a profitmaking, Swiss-chartered holding company. Much of the Aga Khan's money goes back to where it came from—the Third World.—**William P. Barrett**

Saudi Arabia

ABDUL-AZIZ A. AL-SULAIMAN

Concrete Wealth

Saudi Arabia's first finance minister, Abdullah Al-Sulaiman, signed the kingdom's first serious oil exploration agreement with the West in 1933. For faithful service, King Abdulaziz Ibn Saud awarded him a license to import cement. This commodity eventually would prove to be immensely lucrative, creating the foundation, so to speak, for the family fortune.

Abdullah's son, Abdul-Aziz Abdullah Al-Sulaiman, left Easton, Pa.'s Lafayette College after a year. Following a stint with Chase Manhattan and service in the Saudi government, Al-Sulaiman in 1954 founded his own company—now called Abdul-Aziz Al-Abdullah Al-Sulaiman & Co.—to represent foreign companies in the kingdom. He also started Rolaco to operate the family cement business. Rolaco soon became perhaps the country's largest importer of building supplies. The Al-Sulaiman family also owns a chunk of Saudi Arabia's lucrative Datsun franchise.

Now 57, Al-Sulaiman and his family also own the Kandara and Jiddah Palace hotels in Jiddah as well as the Inter-Continental hotels in Dammam, Mecca and Cairo. They hold interests in several other hotel companies in Saudi Arabia and abroad, and in banking, manufacturing and insurance. Al-Sulaiman is also said to have vast sums squirreled away in European banks.

When in New York Al-Sulaiman, like a number of other superrich Arabs, bases himself in the General Motors Building, from whose plush offices Rolaco employees help mind the family's American investment portfolio. Total net worth exceeds $1 billion.—**William P. Barrett**

Abdul-Aziz A. Al-Sulaiman

SULIMAN SALEH OLAYAN
Losses? What Losses?

Using his oilfield construction fortune, earned in his native Saudi Arabia, Olayan was an early Arab investor in U.S. stocks. Since last year's stock market peak, he has lost nearly $90 million (on paper) in the three public companies (First Chicago Corp., Transamerica and Thermo Electron Corp.) in which he owns 5% or more. Numerous other widely reported but undocumented stakes (including Mobil Oil and Chase Manhattan) may have put his total hit around Black Monday at more than $350 million. His spokesman won't comment. About a month before the crash, one of Olayan's companies reportedly sold off nearly 900 London apartments for an undisclosed price. Olayan's people won't talk about this, either.

Robert Azzi/Woodfin Camp

Suliman Saleb Olayan

But Olayan, 69, is a long-term player. His family—his son and daughters are actively involved—controls a worldwide real estate, banking and investment network, along with substantial operating and financial services companies in Saudi Arabia. Even after any market losses, Olayan's net worth still adds up to more than $1 billion.—**William P. Barrett**

AL-RAJHI FAMILY
What Riyadh Wants, Riyadh Gets

The Saudi government has won more financial regulation, along with tougher reporting standards, over the relatively freewheeling money-changing business of the four Al-Rajhi brothers. Last month the newly reconstituted Al-Rajhi Banking & Investment Corp., a commercial bank and one of the kingdom's largest, floated shares to the public.

During the past 40 years, the reclusive Al-Rajhi brothers—Suliman, Salih, Abdullah and Mohammad—were the biggest of all Saudi money-changers. When OPEC was riding high, deposits, on which they paid no interest, often topped $4 billion. That's some float. In 1983, one oil-boom year for which results were reported, this part of the Al-Rajhi empire alone earned over $90 million.

Last year profits came to less than $10 million. But the Al-Rajhis have huge investments in real estate, factories and other assets; according to bank analyst Capital Intelligence, even their shrunken core business is still worth $500 million. Their initial public offering was wildly oversubscribed. The family wealth can still safely be counted at more than $2 billion.—**William P. Barrett**

BIN MAHFOUZ FAMILY
Saudi's Big, Big Bankers

Ever since Salim Ahmed Bin Mahfouz won royal permission in the early 1950s to open Saudi Arabia's first bank, the National Commercial Bank, the Bin Mahfouz family has defined Saudi banking. The clan, led by Salim and his son, Khalid Bin Salim Bin Mahfouz, is now diversifying. Capital Intelligence values the Bin Mahfouz' 52% stake in NCB (assets, $17 billion) at about $420 million and its reported 30% holding in the Luxembourg-chartered Bank of Credit & Commerce International at more than $300 million. There are interests in more than a dozen other non-Saudi banks, plus control of Langdon P. Cook, a New York bond house, and Eastbrook, a small New York investment bank.

Salim Ahmed Bin Mahfouz

Back home in Saudi Arabia, the family has big shareholdings in many Saudi companies. In addition, their Middle East Financial Group, based in Luxembourg, reportedly has been buying, at 20 cents or less on the dollar, the debts of troubled Saudi companies. All told, the family's net worth is believed to be about $1.5 billion.—**William P. Barrett**

JUFFALI FAMILY
Rolling Along

Still believed the biggest single business conglomerate in Saudi Arabia, E.A. Juffali & Brothers keeps rolling along. Subsidiaries sell Mercedes trucks (vehicle of choice among Arab haulers), Michelin tires, air conditioners and insurance. Then there's electric power generation, cement production, construction and engineering. Founded in the 1940s by Ebrahim Juffali and brothers Ahmad and Ali, the company helped create a market for electrical goods by bringing electricity to key Saudi cities—including the mountain town where the royal family spent the summers.

Robert Azzi/Woodfin Camp

Ahmad Juffali

Ahmad, now about 64, runs the [illegible] which in recent years has devoted more of its considerable resources to foreign pursuits. The family's New York-based investment arm, Enpro International, oversees numerous real estate and other ventures and reportedly has been seeking to acquire hotels. *MidEast Report* still puts the family's total net worth at more than $1 billion.—**William P. Barrett**

Lebanon

SAFRA FAMILY
Revenge

His family is worth at least $1.5 billion, but Lebanese-raised Edmond J. Safra, now resident in Geneva, is not relaxing. The reclusive Safra, about 57, who controls Republic National Bank of New York (his one-third stock holding is worth well over $400 million), recently launched a Geneva subsidiary to take on the Trade Development Bank unit of mighty American Express Co.

Safra built Trade Development into a $4.7 billion (assets) private bank, largely with deposits of fellow displaced Middle Easterners like himself, then sold it to AmEx in 1983 for $550 million. Two years later he left AmEx after a bitter personal clash and has been plotting revenge ever since. A noncompete clause expired on Feb. 29. On Mar. 1 his new branch opened. Startup cost: an estimated $200 million.

Safra's younger brothers, Joseph, 49, and Moises, about 53, continue expanding Banco Safra in Brazil. In May they agreed to pay a reported $134 million for 26% of Aracruz, Brazil's leading paper and pulp company. But AmEx is paying its closest attention to Edmond.—**William P. Barrett**

RAFIK BAHAUDDIN HARIRI

Make Business, Not War

According to bankers familiar with his operations, Hariri, a native of Lebanon, has been maintaining very large cash reserves in a number of European banks. To what end is unknown: Hariri, about 43 years old, has been keeping a relatively low profile, quietly attending to his various construction and banking enterprises. His personal net worth is estimated in the $1-billion-to-$2-billion range.

Rafik B. Hariri

Mostly, his activities now seem to be outside the Middle East and certainly outside his adopted Saudi Arabia, where he made his fortune with the Saudi Oger construction company. Hariri's main investment vehicle, the Mediterranean Investors Group, is based in Paris. From Washington, his Hariri Foundation provides financial assistance to Lebanese studying outside their war-torn country. Over the years Hariri has tried to negotiate ceasefires among the various factions destroying Lebanon. Clearly, he is a far better businessman than diplomat.—**William P. Barrett**

Kuwait

AL-GHANIM FAMILY

From Autos To Their Parts

Automobiles have been mighty good to Kuwait's Al-Ghanim family. It was cars' need for gasoline that first brought Western oil companies to the Gulf and allowed the Al-Ghanims to carve out a niche selling a sideline product, kerosene. Then, in the mid-1940s, the family obtained the local General Motors distributorship. Yusuf Ahmed Al-Ghanim & Sons eventually became one of the world's most lucrative car agencies. Yusuf and one of his sons, Qatayba, went on to fashion a diverse Gulf empire ranging from shipping and insurance to sales of prefabricated buildings and water coolers. Operating through the umbrella Al-Ghanim Industries, this extremely secretive family was also among the first wealthy Arabs to begin foreign investing, particularly in the U.S., in a big way. Their wealth is estimated at $1 billion.

Yusuf Al-Ghanim

They still like cars. In the past year, AI (for Al-Ghanim Industries) Automotive Corp., a subsidiary of the family's New York-based AI International Corp., has continued buying rival U.S. auto parts jobbers and distributors. According to various trade publications, AI Automotive is now one of the largest such companies in the U.S.—**William P. Barrett**

MOHAMED ABDUL MOHSIN AL-KHARAFI

The Man To Know In Kuwait

Al-Kharafi helped establish the National Bank of Kuwait back in 1952, when Kuwait was a sand-blown British protectorate whose oil potential was only starting to be realized. Now about 70, he also founded what is today the Al-Kharafi Industries Establishment, a construction giant.

Al-Kharafi's businesses proved well positioned for the massive transfer of assets in the 1970s and early 1980s from oil-starved Western countries to oil-drenched Middle Eastern kingdoms. But, far more significant, the Al-Kharafis also have been able to weather the more recent lean years. For 1986, the latest year available and a decidedly down year around the Gulf, Al-Kharafi Industries had reported profits of $90 million.

Al-Kharafi also chairs the publicly traded National Bank of Kuwait (assets, $10 billion), Kuwait's preeminent financial institution and one of the Gulf's best-run banks.

Mohamed Al-Kharafi

David Mizrahi, editor of *MidEast Report*, a New York-based newsletter, estimates the Al-Kharafi family fortune at more than $1.5 billion. Among the next generation is Mohamed's son, Jassim Al-Kharafi, 47, Kuwait's finance minister since 1985.—**William P. Barrett**

AL-MARZOOK FAMILY

Investors Supreme

According to one well-informed Kuwaiti, Khalid Al-Marzook, about 56, lives in perhaps the largest private house in all of Kuwait. He leads a family, new to this year's billionaire crop, that has amassed its wealth not primarily by trading or manufacturing but through shrewd real estate dealings, with a little banking thrown in.

A basis of the Al-Marzook fortune, at least $1 billion, is the Kuwait Real Estate Co. KREC was founded in 1972 (just before the oil boom) by the Al-Marzooks and Kuwait's ruling Al-Sabah family. Chaired by Khalid Al-Marzook, KREC owns some of the most valuable commercial properties in Kuwait, as well as a portfolio of interests in Kuwaiti and foreign companies. Unlike many other Kuwaiti real estate players, KREC eschews land speculation in favor of careful development, creating more lasting value. The Al-Marzooks were also instrumental in creating the Kuwait International Investment Co., one of the kingdom's first privately owned financial services companies. There are also substantial direct foreign investments, particularly real estate in Japan, Europe and the U.S.

The Al-Marzooks operate through a number of companies, including Pearl Investment, Pearl Real Estate, Kuwait Projects and the Kuwait Real Estate Bank. They also control *Al Anbaa,* a leading Kuwaiti daily paper. *Al Anbaa* does nothing to lessen their influence in tiny Kuwait.—**William P. Barrett**

Bahrain

KANOO FAMILY

Shifting Sands Of Commerce

The wealth of Bahrain's Kanoo family, another new Middle Eastern name on the list, nearly evaporated in the 1930s when the pearl-fishing industry collapsed and the Kanoo banking and trading business was caught with uncollectible receivables. Founder Yusuf Bin Ahmed Kanoo did manage to make good on his own debts by the time of his death in 1945. His nephews and great-nephews have rebuilt what is now called the Kanoo Group into one of the largest pan-Gulf commercial organizations. Its tentacles reach into shipping, shipping services, airline and travel agencies, heavy construction equipment, importing, banking, insurance, business services and real estate ventures. The leader of both the family and business group is now Ahmed Ali Kanoo, 65, a great-nephew of Yusuf. He is also chairman of the National Bank of Bahrain.

Arab News

Kanoo family members

At the height of the oil boom, annual sales of all the associated Kanoo companies and joint ventures were estimated at more than $1 billion, on which the Kanoos were earning the typically fat Middle Eastern margins of 10% to 30%. Business is now perhaps 25% of the peak. But what's left plus what was stashed away during the lucrative 1970s gives the decentralized clan, now working Bahrain and Saudi Arabia, a net worth of around $1 billion.—**William P. Barrett**

India

BIRLA FAMILY

Bring On The Competition Raj

Prime Minister Rajiv Gandhi's attempt to reduce Indian bureaucracy—the notorious License Raj—and encourage competition wins him few friends in business. "India's businessmen hate the idea of fierce competition," says Ashok Birla, head of one of the five major branches of the Birla Group. Birla explains: "They may complain about endless regulations, but the fact is that our big business houses have done quite well despite the red tape. They have mastered the art of making the bureaucracy work for them [to block competitors]."

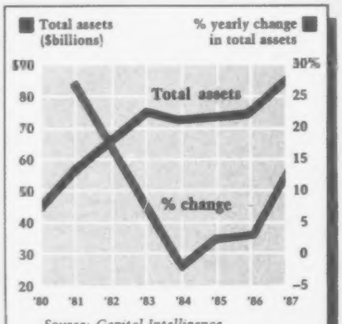
The Birlas, India's richest industrialists, belong to the conservative entrepreneurial community of Marwaris from India's northwestern state of Rajasthan. They control 200-plus companies in India, Malaysia, Indonesia, the Philippines, Kenya, Nigeria, the U.K., Canada and the U.S. These produce everything from automobiles to synthetic fabrics to steel and paper. The family typically owns 25% to 45% of their ventures, whose total assets, according to Indian government figures, exceed $4 billion. Given Indian taxation, there's likely much more, says Rahul Singh, editor of the *Sunday Observer* in Bombay, and a longtime student of the Birlas.

The Birlas support Gandhi's liberalization. Ashok and S.G. Warburg, the London investment bankers, are launching the Birla Mercury Fund, composed of two funds set up primarily to induce expatriate Indians to invest in India's economic expansion. And Aditya Birla, Ashok's cousin, recently announced that his part of the Birla Group would invest some $2 billion in petrochemical plants. Good news, this, for the Competition Raj.—**Pranay Gupte**

Ashok Birla

Turnaround in the Gulf

Is the Gulf finally adjusting to low oil prices? Bank assets are one way of gauging economic vitality in the Middle East. Data for ten leading private commercial banks* in four Gulf states as recorded by Capital Intelligence, a bank monitoring agency in Limassol, Cyprus, show the best gain since 1982 last year—all the more dramatic because it predates Iran's military reverses in 1988. More people, it appears, are now much more willing to leave more wealth in the Middle East, or even bring it there to invest, than they have been in years.



Source: Capital Intelligence, Limassol, Cyprus

*Saudi Arabia: National Commercial Bank, Riyad Bank, Saudi Fransi Bank, Saudi American Bank. Kuwait: National Bank of Kuwait, Commercial Bank of Kuwait, Alahli Bank of Kuwait, Gulf Bank. Bahrain: Gulf International Bank. United Arab Emirates: National Bank of Abu Dhabi.

The Americas

Colombia

PABLO ESCOBAR GAVIRIA
Bring Me The Head Of Manuel Noriega!

The Medellín cocaine cartel chief Pablo Escobar Gaviria had a hand in the deal with Panama's General Manuel Antonio Noriega in 1982 to smuggle cocaine via Panama to the U.S. According to Ramón Milian Rodriguez, a cartel money launderer, Noriega was paid somewhere between $320 million and $350 million in the early 1980s. But now the cartel wants Noriega dead. According to sworn testimony before Congress, Escobar and friends have put a $1 million contract out on General Noriega.

Without Noriega's services, which included money laundering, the cartel is in a jam. An estimated $1 billion of the cartel's money is believed to be frozen in Panamanian banks, and money is piling high in smugglers' homes, bank vaults and safe-deposit boxes in the U.S.—making it easier for U.S. officials to find. Last December the federal government seized $20 million of Florida real estate believed to belong to Escobar and Juan David Ochoa Vasquez *(see below)*.

This is not the cartel's only problem. Supply is rising, and the price per kilo is down to $14,000 in Miami, 70% less than five years ago. So more goes to Europe, where the cartel gets up to $55,000 a kilo. In Madrid last May, authorities seized a shipment of 1 metric ton, worth $50 million.

As his problems mount, the 200-pound Escobar still walks freely around Hacienda Napoles, his 50,000-acre ranch near Medellín, Colombia, despite police raids and pending indictments for countless offenses in the U.S. Everyone would benefit if a way could be found to lock Noriega and Escobar in a room together with a couple of sharp knives.—**Claire Poole**

E. Vandeville/Gamma-Liaison

Pablo Escobar Gaviria

GONZALO RODRIGUEZ GACHA
Sandinista's Friend

Rodriguez Gacha, a new entry this year, may be the wealthiest cocaine lord of all. Known as "The Mexican" for his fondness of Mexican culture (and, some say, his crude manners), Rodriguez operates out of Bogotá but is associated with the Medellín cartel. According to a U.S. indictment, he is in charge of all Medellín cocaine distribution to the U.S. West Coast.

Born in Pacho, a city of 50,000 outside Bogotá, Rodriguez is only 41 and apparently rose to power as Pablo Escobar's lackey. He allegedly killed a left-wing Colombian political leader because leftist guerrillas were interfering with his coca farmers. He also set up one of the world's largest cocaine production centers ever found, the so-called Yari laboratories, busted in April 1984.

After that bust followed the assassination of Colombian Minister of Justice Rodrigo Lara Bonilla. It was Rodriguez Gacha who helped establish alternative manufacturing and distribution in Nicaragua. He was aided there by the Sandinistas, notably by Federico Vaughan, a senior official in the Sandinista regime who arranged for fuel for cartel planes at a Nicaraguan military air base. More recently, Rodriguez Gacha is said to have initiated shipping cocaine in fragrant flower shipments from Bogotá, to confuse the noses of airport guard dogs. (Question for our trade ambassador: Why not stop all Colombian flower imports?)

E. Vandeville/Gamma-Liaison

Gonzalo Rodriquez Gacha

According to former Medellín cartel executive Max Mermelstein, Rodriguez Gacha is greedy. "It's a matter of routes," Mermelstein told FORBES, "and how much he was ripping off from the other [dealers]" in "lost" deliveries. Mermelstein figures that Rodriguez has made about $3 billion, but other sources are not able to confirm this claim.

For now, put Rodriguez Gacha's worth at $1.3 billion, plus all he could steal. If Mermelstein is right, Escobar may want to have Rodriguez rubbed out along with Noriega.—**Claire Poole**

OCHOA FAMILY
Something Can Be Done

Another fellow we'd like to see in that room with Noriega and Escobar is Jorge Luis Ochoa Vasquez. His father, Fabio, once smuggled Scotch whiskey and television sets with Escobar and then followed him into cocaine. Fat Fabio recently opted to spend more time horse breeding and handed the cocaine business to middle son Jorge, 39. It was Jorge, after all, who set up distribution in Spain, Puerto Rico and Nicaragua and, most important, Miami. (Jorge's brothers Juan David and Fabio Jr. work for Jorge.)

Much wanted by U.S. lawmen,

E. Vandeville/Gamma-Liaison

Jorge Luis Ochoa

Jorge uses cash and bloodshed to stay beyond their reach. He was arrested in Spain in 1986 when he was shopping for fighting bulls and cocaine routes—but was extradited back to Colombia for bull smuggling and freed two weeks later. Then, last November, highway patrolmen picked up Jorge at a roadblock in southern Colombia. A month later the Picota prison warden in Bogotá set Ochoa free, apparently with the consent of a local judge but not the Colombian government.

Medellín henchmen planned January's infamous killing of Carlos Mauro Hoyos, Colombia's upright attorney general. Hoyos apparently was investigating Ochoa's suspicious release in November. Worse, he publicly favored the reinstatement of a 1979 extradition treaty with the U.S. That would land Ochoa in the U.S., the killer's worst nightmare. And it is a mystery why the government of President Virgilio Barco Vargas does not avenge Hoyos' death by quickly reinstating the treaty.—**Claire Poole**

Brazil

ROBERTO MARINHO

Soap Opera King

At 83, Roberto Marinho has not yet passed his conglomerate, Globo Organizations, on to his three sons. "You can't even ask him that question," says an executive with Globo International in New York. "The man is eternal."

The man also has his hands full. As owner of the world's fourth-largest private television network (behind the U.S. networks), Globo reaches 80 million Brazilians, sells programming to 90 countries and has an 80% stake in Italian-language network Telemontecarlo. Marinho's TV revenues alone are an estimated half a billion dollars yearly—54% of Brazil's entire advertising spending. The group, with over 100 businesses, also includes insurance and finance companies, shopping centers, cattle ranches, a major art collection.

Marinho started with a Rio de Janeiro newspaper, *O Globo,* begun by his father, who died in 1925. Today *O Globo* (revenues, near $100 million) is the largest daily in Brazil. Marinho's TV programming, especially the controversial *novelas* (evening soap operas as important a national obsession as soccer), add to his considerable political clout.

"We're cautious, but our investments are going ahead," says Marinho. "Once Brazil has settled with the international financial community and promulgated its new constitution, we will certainly experience new growth."—**Patrice Duggan**

Roberto Marinho

Delfim Martins F4

SEBASTIÃO FERRAZ DE CAMARGO PENTEADO

Brazilian Bechtel

Camargo, one of ten children born to a small farmer in Jaú, São Paulo, has built his fortune through political contacts and an abiding faith in Brazil's future. His $1.6 billion (net assets) construction and engineering conglomerate, Camargo Corrêa, has built over 1,000 projects in Brazil, including Brasilia in the 1950s; Itaipu, among the largest hydroelectric plants in the world, in the 1970s; and the Amazon hydroelectric plant Tucuruí in the 1980s. Camargo Corrêa, with 33 companies, 30,000 employees, had 1986 revenues of nearly $1 billion. Succession is no question: He has three married daughters—Rosana, 35; Renata, 34; and Regina, 31. All his sons-in-law work in the company.

Luiz Dantas/Editora Abril

Sebastião Camargo

What of Brazil's $110 billion in foreign debt, its nearly 20%-a-month inflation, its political chaos? "I'm not familiar with economics," says Camargo. "I'm only a businessman." But, he comments: "You have to believe in Brazil."—**Patrice Duggan**

ANTÔNIO ERMÍRIO DE MORAES AND FAMILY

Time To Hand Over

João Bosco Lodi, a business consultant who specializes in Brazil's family businesses, notes: "In Brazil, family businesses rarely endure past the third generation." That's the challenge confronting Antônio Ermírio De Moraes, 60. His grandfather was a Portuguese immigrant who built a small shoe shop into what is now $1.7 billion (net assets) Votorantim. The largest industrial group in Brazil, São Paulo-based Votorantim owns nearly 100 companies and employs 60,000 people. It is owned equally by Antônio Ermírio and his three siblings.

The fourth generation consists of 23 cousins, 10 of whom work in the group and will soon have new responsibilities. "It is already time to tap the next in line and depart," Ermírio recently told the press. Speculation per-

Daniel Augusto Jr./4

Antônio Ermírio De Moraes

sists that Ermírio will run for president next year; he is enormously popular with business.—**Patrice Duggan**

Mexico

GARZA SADA FAMILY

Down To Their Last $2 Billion

In the late 1970s the Garza Sadas' Grupo Industrial Alfa borrowed heavily abroad in order to buy into new (for them) industries like tourism and electronics. In April 1982 the huge ($1.5 billion net worth) steel and packaging combine, run by Bernardo Garza Sada, defaulted on the largest private foreign debt—$2.7 billion—in Latin America.

But late last year, after six years of negotiations with 130 creditors, agreement was finally reached. Garza Sada gave his creditors 45% of Alfa's stock; the creditors wrote off over $2 billion of debt.

Not so lucky is the family's $103 million (net worth) Visa, run by some of Bernardo's cousins. Visa is in soft drinks, food and packaging and the Tecate, Carta Blanca and Bohemia breweries. Visa also went heavily into debt for expansion during Mexico's oil boom, but continuing quarreling among the three cousins keeps getting in the way of renegotiating Visa's debt load.

Bernardo Garza Sada

Ironically, the two other companies that round out the family's Monterrey Group have kept the family solvent. Vitro (net worth, $1.5 billion) stayed away from foreign debt and in the business it knows best, glass, and is still profitable. Chemical maker Cydsa (net worth, $585 million) did borrow abroad, but cautiously, and recently renegotiated its debt.

So, even with all of their country's problems, the Garza Sadas still have equity in excess of $2 billion and remain far and away Mexico's richest family.—**Claire Poole**

Canada

KENNETH COLIN IRVING

The Baron Of New Brunswick

In the 1920s Kenneth Colin (K.C.) Irving owned a Ford dealership in his hometown of Buctouche, New Brunswick and was an agent for Imperial Oil—a typical successful small-town businessman. But one day Imperial yanked K.C.'s gasoline franchise. Enraged and vengeful, K.C. borrowed $2,000, set up his own service stations next to Imperial's, and soon beat out Imperial to become number one in the region. He did it by finding suppliers of cheaper oil and passing the value along to his customers.

With cash gushing in from the stations, K.C. integrated forward, backward and sideways: a construction company to build the service stations; St. John Shipbuilding & Drydock Co., a shipyard (now Canada's biggest) to build oil tankers for Irving Refining Ltd. (also Canada's largest). And he created Irving Pulp & Paper Co., the biggest supplier in the Maritimes.

Today the Irvings—K.C. and his middle-aged sons Arthur, John and James—are New Brunswick's largest private landowners and are said to account for over a quarter of the province's GDP. The empire is spreading across the border to Maine, where the Irvings operate 150 service stations, own 700,000 acres of prime timberland, and supply more than 75% of the asphalt used in the state. The Irvings have been accused, mainly by smaller-scale competitors, of everything from predatory pricing to violating safety regulations in the state's wood camps.

Peter Redman

Kenneth Colin Irving

But even among critics there is grudging respect for K.C., who, at 89, doesn't drink, smoke or swear, works 16-to-18-hour days, and has passed similar work habits along to his sons and grandsons, one of whom, James Jr., is said to be heir-apparent. The Irvings' empire is knowledgeably estimated to be worth up to $8 billion.

Known for his aversion to taxes, K.C. now spends much of his time in Bermuda, whose government is more lenient on the subject than Canada's. Canada wants C$500 million in back taxes and interest from oil profits funneled through a tax-free company in Bermuda.—**Diana Fong**

PAUL, ALBERT AND RALPH REICHMANN

Big Fish, Small Pond

Canada is no longer big enough to hold the three Reichmann brothers, who have invaded the U.S. to become North America's largest real estate developers and New York's biggest commercial landlords. Recently their privately owned Olympia & York Developments made a tender offer for the giant railroad company Santa Fe Southern Pacific. They followed that with backing for Campeau's acquisition of Federated Department Stores. Now, not even North America can hold them: The brothers have invested C$6.4 billion to develop London's Canary Wharf project. At home, the Reichmanns' 70%-owned Gulf Canada Resources has an unsolicited C$500 million bid on the table for Calgary's Asamera, which has prized oil interests in Indonesia, the North Sea, Colombia and Italy.

The Reichmanns' ability to recognize and seize the really big opportu-

Randy Moore/The Windsor Star

Paul Reichmann

nities in real estate, oil—whatever—is unsurpassed. After buying Gulf Canada for $2.4 billion in 1985, they sold the downstream assets, kept the exploration company, juggled other assets and won a $400 million tax break. At the end of the day the brothers' Gulf Canada stake was worth $2.2 billion. Meanwhile, annual cash flow from O&Y's Manhattan real estate alone is conservatively estimated at $750 million. All still in their 50s, the Reichmann brothers sit astride a joint net worth that now comes to an estimated $9.2 billion.—**Diana Fong**

GALEN AND GARRY WESTON

The Blood Runs Thick

What started out as a family-owned bakery in 1882 is today two huge independent food conglomerates, run by third-generation brothers on different sides of the Atlantic. Galen Weston, 47, who plays polo with Prince Charles, runs the Toronto-based George Weston Ltd., which earned C$134 million on C$11 billion in sales last year. He is the aggressive acquirer and builder, comfortable with lots of debt. Recent acquisitions include supermarkets in St. Louis; the Canadian division of Britain's chocolate maker Cadbury; and Holt Renfrew, a chain of fur and fashion stores purchased from Carter Hawley Hale for $43 million that Galen's wife helps run.

Peter Redman Universal Pictorial Press

Galen and Garry Weston

Meanwhile, elder brother Garry Weston, 61, quietly runs £2 billion (sales) Associated British Foods in London. Garry is the careful preserver and artful disposer; ABF has no long-term debt. He got ABF out of South Africa at a tidy profit in 1983 before the rand collapsed, and now has $1.8 billion in cash to invest. Brother Galen would no doubt have lots of ideas for spending that cash, but perhaps he should keep them to himself. The Weston clan's 60% of Galen's George Weston Ltd. is now worth $798 million, while their 63% of Garry's ABF is worth $1.4 billion.—**Diana Fong**

KENNETH ROY THOMSON

Lackluster Cash Boxes

Ken Thomson Peter Sibbald/Picture Group

Toronto's Kenneth Roy Thomson, second hereditary Lord Thomson of Fleet, generally avoids the press. But he recently allowed a Toronto *Financial Post* reporter in to see his collection of rare ivory carvings, many of them skeletons, skulls and morbid scenes of the dead and dying. "If you get any highfalutin ideas about how important you are," the billionaire genially told the reporter, "look at a few skeletons and you'll soon come down to earth."

Feet on the ground, Thomson, 64, unostentatiously runs Thomson Newspapers, International Thomson Organisation, Hudson's Bay Co. and the other businesses and investments that account for his family's $5.1 billion fortune. He is aided by his son and likely successor, David, 31. Last year Thomson's ITO bought a leading British legal publisher, and earlier this year, four major databases from Capital Cities/ABC. He also picks up mostly small Canadian and U.S. newspapers—there are 172 now, largely monopolies, with a combined circulation of 3.1 million. Concentrated around the Great Lakes area, the newspapers are lean on editorial content, fat on gross profit margins, and are what the current Lord Thomson of Fleet's feisty father, Roy (1894-1976), liked best—as one critic put it, "A lackluster aggregation of cash boxes."—**Diana Fong**

CHARLES BRONFMAN

Separate But Equal

There has never been much love lost between Canada's Charles Bronfman, 56, and his Americanized brother Edgar, 58. But since their founding father, Samuel, died in 1971, they have tried to keep control of Seagram, the distilling empire, in the family.

Early this year the brothers exercised rights of first refusal, and each bought 258,000 Seagram shares from nephews at $73 a share. In 1985 they cooperatively acquired $95 million worth of Seagram stock from their late sister Minda's estate. Each brother's 17% stake in Seagram has a current market value of more than $931 million, although the market may be undervaluing the shares.

While he helps Edgar run Seagram, Charles minds his own private investment vehicle, Claridge Inc., and his interest in the Montreal Expos baseball team. Claridge has a stake in movie theater chain Cineplex Odeon, a new joint venture with National Bank of Canada in Montreal and other investments.—**Diana Fong**

Brian Willer

Charles Bronfman

Pacific Rim

Japan Real Estate

YOSHIAKI TSUTSUMI

How To Lose A Billion

It's been a less than perfect year for Yoshiaki Tsutsumi. He's still the world's richest man, but the market value of his key stockholding, Seibu Railway, fell from its April 1987 peak of $3.98 billion (Y5,800 a share) to $2.33 billion (Y3,400 a share), wiping $1.65 billion off his paper worth. In the land of the rising market, Seibu has recovered somewhat, but Tsutsumi is still down $650 million.

And now for the good news: A new law gives special tax and financing breaks for the right infrastructure construction—Yoshiaki reportedly has 17 such projects under way. The government also proposes limiting land ownership rights so as to create instant rights-of-way for tunnels for carriers like Seibu, saving his company untold billions.

Tsutsumi's father, Yasujiro, a brilliant real estate and transportation entrepreneur and pyramider, bought land in quantity from Japanese aristocrats forced to sell ancestral land at near-bankruptcy prices right after World War II. Yasujiro died in 1964. He left the bulk to Yoshiaki, the son of one of his many mistresses. Yasujiro's legitimate son, Seiji Tsutsumi *(which see)*, inherited enough property to qualify him for the billionaire list but Yoshiaki got the main assets.

H. Morimoto

Yoshiaki Tsutsumi

Last year Tsutsumi, 54, complained that we overestimated his wealth. Legalistically, he had a point: Some land we thought was owned by his holding company, Kokudo Keikaku, was really owned by Seibu Railway, and so belongs to Tsutsumi only indirectly. Adjusting for that and for the diminished value of the Seibu stock, we revise our estimate of his unarguably owned, visible assets in 1988 to $18.9 billion.—**Hiroko Asami**

TAIKICHIRO MORI

World's Second-Richest Man

Taikichiro Mori, 84, is a man accustomed to looking at the big picture. He was a professor of economics at prestigious Yokohama City University (he still conducts business in a scholar's black robe) until he inherited his father's real estate, at age 50, and decided the rough-and-tumble of commerce was the place for him after all. He now owns 68 buildings, deliberately concentrated in the Minato ward because it is close to government offices. The buildings are worth, net of debt, nearly $18 billion, making Mori the second-richest person in the world.

Robert Wallis/JB Pictures

Taikichiro Mori

Mori's most inspired creation to date is Ark Hills, an office building with condos, hotel and music hall in one development to provide an international financial center for the foreign financial institutions crowding into the city. Mori is undertaking similar projects for Japanese companies because he sees ever more companies transferring their offices close to the government. Mori reckons they will like hybrid office buildings that provide top executives with handy condos, bypassing Tokyo's traffic problems and shortening distances between home and work.

What does Mori, an unusually open Japanese businessman, think of Tokyo real estate? "In the future we should be very careful about the balance of supply and demand, as a new commercial zone is to be built along Tokyo Bay," he told FORBES. When it is being built in the mid-1990s, "Land prices in some inconvenient commercial districts may even fall."

Heretical? No, just commonsensical.—**Hiroko Asami**

KICHINOSUKE SASAKI

Dr. Speculation

New to the list this year, Sasaki, 55, is the only Tokyo real estate billionaire who is also a doctor (of geriatric diseases). He borrowed money to open his clinic immediately after graduation—very un-Japanese—paid off the loan quickly and soon acquired three rental properties as investments. Hooked, he closed the clinic and started a real estate compa-

Robert Wallis/JB Pictures

Kichinosuke Sasaki

ny, Togensha. Since 1982 Togensha has exploded, constructing 40 tall, thin office buildings. Sasaki's equity is at least $2.5 billion, after $1.1 billion in debt.

Sasaki dismisses fears of a sharp drop in commercial land values in Tokyo. "If it happens, the Japanese economy would topple," he says, noting that land is widely held as collateral by the largest institutions. Unlike Taikichiro Mori, Sasaki does not think the Tokyo Bay project will hurt office rentals. "From 1992 another boom is likely to be seen [in downtown Tokyo]," he argues. The speculative doctor is building 8 buildings now and plans 17 more. Unlike other real estate tycoons, he shows no interest in foreign property. Why not? "I cannot expect a reasonable capital gain," he replies.—**Hiroko Asami**

YONEICHI OTANI
Convention Thinking

Yoneichi Otani, president of New Otani Hotel, contends that no new hotel will pay in Tokyo at existing land prices. He's not complaining: Thanks largely to Japan's sky-high land prices, the Otani family hotel and real estate empire is worth some $4.2 billion. But even Otani won't build more hotel space in Tokyo. On his family parcel there, Otani is developing an office building, and after that a residential district, creating a luxury Otani village. To expand in hotels he has turned to Los Angeles and Hawaii and is shopping for another in New York or San Francisco. "We have several offers outstanding; the competition with other Japanese companies for the hotels is embarrassing."

Robert Wallis/JB Pictures

Yoneichi Otani

Like most Japanese hotels in major cities, the New Otani group earns most of its money from banquet service—weddings, corporate anniversaries and other celebrations of milestones in life. Room occupancy of the New Otani hotels is a healthy 70%, yet rooms account for only 30% of revenues, with high-margin banquet business accounting for most of the rest.—**Hiroko Asami**

GENSHIRO KAWAMOTO
The Kawamotomobile (Maybe)

Last year Genshiro Kawamoto figured that Ginza real estate, where he made his $1.3 billion after shutting the family drapery business in 1972, was too expensive. He decided to invest in Hawaii, bought a Rolls-Royce limousine and drove around Oahu looking for houses, sometimes knocking on the doors of surprised owners to make them an offer in his gentle, polite way. Since last August he's paid about $100 million for 170 homes, including the old Kaiser mansion. After a few deals, his Rolls became known around Honolulu as the "Kawamotomobile."

Robert Wallis/JB Pictures

Genshiro Kawamoto

Kawamoto, 56, tells Forbes he doesn't want to be like other Japanese speculators in Hawaii—unsettling the market by flipping properties to yet other Japanese. "I want to hold for the long term," he says, "and rent only to Americans, not Japanese." He also intends to remodel and refurbish his houses, according to his own taste; this, he argues, will improve local property values.

Now Kawamoto is looking homeward again. He figures the government's intervention in Japanese land sales will break a lot of speculators and put good Ginza property back on the market at distress prices. So he tried to bring his Kawamotomobile home to Japan.

"I paid Y20 million [about $154,000] for my car," he sighs, "and the tariff and commodity tax added another Y10 million. But because of inspection at customs, it has been held at the port for a month and a half." Now the authorities want to rip out all the seats in order to test for vibration. That'll cost another Y2 million.

Kawamoto: "Now I understand what foreigners mean by nontariff trade barriers."—**Hiroko Asami**

KIYOFUMI MOROTO
Four Centuries Later

Moroto's home on 1 acre in the exclusive Tokyo area near Shibuya train station is valued upwards of $300 million. He owns and rents out another acre or so nearby, equally valuable. What of reports that government action has forced down Tokyo residential land values by 20% to 30%? That's middle-class land. Values at Shibuya, as in other elite Tokyo neighborhoods, are so far holding up nicely.

Moroto, 76, has a family fortune dating back 400 years to samurai warriors who gave up battle for agriculture. Early this century the government induced his grandfather to switch from farming to forestry. As a result, Moroto today owns a cedar forest. Near Tokyo, the enormously valuable forest will probably become a restful resort development within a few years.

Robert Wallis/JB Pictures

Kiyofumi Moroto

Meanwhile, Moroto lives nicely off his urban acreage and Moroto Towel, one of the largest towelmakers in Japan—a very quiet, very comfortable billionaire.—**Hiroko Asami**

EITARO ITOYAMA

Young, Rich And Ambitious

Billionaire-turned-politician Eitaro Itoyama is a free-trade advocate who also urges that Japan spend more on defense. "Japan should not be on an equal footing with the States," he tells FORBES, "unless she increases her defense budget, lessening the U.S. financial burden of Japan's defense."

As the alienated illegitimate son of a self-made tycoon, Itoyama struggled to make his own mark in business in his youth. He and his father were finally reconciled, and the young man inherited the bulk of his father's huge real estate fortune in 1985. Now he is a member of the Nakasone faction of the dominant Liberal Democratic Party, and chairman of the Lower House foreign affairs committee—and ambitious. "In several years, I will surely join the cabinet," says Itoyama, 46. Later on he says he will use his money to form his own faction. Smart, tough, young and very rich, this is a businessman whose political horizons appear unlimited.—**Hiroko Asami**

Eitaro Itoyama

YOHACHIRO IWASAKI

Take Lots Of Money

In 1979, to the astonishment of the Japanese, the *Queen Elizabeth II* called at the port of Kagoshima. The locals shouldn't have been surprised, though. Kagoshima is Yohachiro Iwasaki's hometown and the location of one of his resorts. Iwasaki had foreseen the commercial value of upgrading his resort center to the international boat-set level and arranged for the *QEII*'s call.

Born poor in 1902, Iwasaki built up a $4.6 billion fortune. He went first into logging, after the Great Earthquake of 1923, then into real estate, then into tourism. Now he is building a 12.5-mile-long seashore complex boasting four hotels, an 18-hole golf course, and so on, north of Brisbane on the east coast of Australia.

Zaikai

Yohachiro Iwasaki

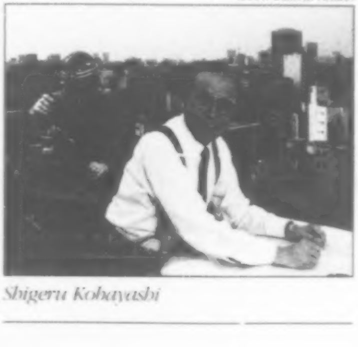
Iwasaki is planning another big resort at the tip of Mexico's Baja California peninsula. There he owns 5,000 acres and has long had a deal with the government to sell him the surrounding 200,000 acres, enough for a decent Iwasaki-size resort. But the deal was with Mexico's former president. Iwasaki may soon discover that Mexican politicians play by a unique set of rules, especially where potentially lucrative resort real estate is concerned.—**Hiroko Asami**

SHIGERU KOBAYASHI

Yield Gap

Ginza "entertainment" after World War II, real estate in the 1950s, Tokyo apartments in the 1960s. The 1973 oil shock almost flattened Kobayashi, but he dusted himself off and plunged into office buildings. A bold man, Kobayashi is building more office buildings, both in Japan and the U.S., even though his borrowing is already immense—estimated at $5.4 billion.

Robert Wallis/JB Pictures



Shigeru Kobayashi

In Japan: another 16 office buildings, a 44% expansion. In the U.S.: 2 new office buildings, in New Jersey and Los Angeles, to go with the nearly $2 billion worth that he has already bought (Los Angeles' Arco Plaza; New York's ABC headquarters; Washington's U.S. News & World Report building). The Los Angeles complex calls for a 75-story skyscraper, a hotel and a community center, all to be done by 1993. Son Takaji Kobayashi does much of the U.S. wheeling and dealing for him.

The Japanese office market in downtown Tokyo is still incredibly tight, with vacancy rates virtually zero. So why buy into the overbuilt U.S. market? Simple: U.S. buildings typically yield 7.5% to 8% initially, and he can borrow the money to buy them in Japan at 6%—in Japan, office buildings yield from 1% to 3%. Kobayashi is worth $3.2 billion at age 61.—**Hiroko Asami**

MASAO NANGAKU

Would A Kannonzo Work In Vegas?

Last year Nangaku made a worldwide splash, buying the Dunes hotel-casino in Las Vegas, a castle in West Germany and a forest on Oahu. He also hit a number of roadblocks.

Kaku Kurita

Masao Nangaku

Since he hasn't been licensed as a gambling operator by the state of Nevada, the Dunes casino is shut down. In Germany, where he wants to build a hotel and a golf course at his castle, the government has so far prevented him from developing the site.

Nangaku can afford to be patient: He is worth $1.2 billion. He built his fortune after the war, from a small radio repair shop into a large electronics business, then made a killing in the 1960s exploiting the bowling craze that swept Japan, and got into hotels and ski resorts in time to ride Japan's fantastic real estate boom.

At age 69, Nangaku has just built a gilded *kannonzo*, a traditional statue of a Buddhist goddess, standing some 80 feet high in a parklike setting in northern Honshu. It is thought to be the first gilded *kannonzo* in a thousand years of such monumental size. Besides earning religious merit, the cost becomes a generous tax writeoff, and the shrine draws a potentially profitable trade to the surrounding concessions.

Maybe his pious act will soften the hard hearts of the West German and Nevada governments.—**Hiroko Asami**

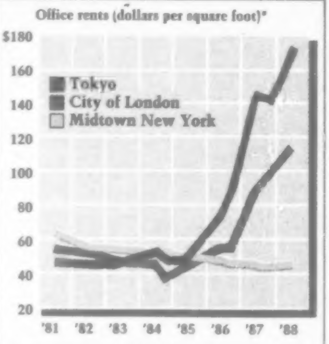
Why Tokyo real estate doesn't go down

At least 18 of the world's billionaires (and untold mere centimillionaires) owe their fortunes to Japanese land-price inflation. Prodded to action by middle-class voters outraged by escalating real estate prices, Japanese politicians declared war last year on property "speculators."

The politicians' weapons: a cumbersome combination of jawboning and price controls.

The government required buyers and sellers to report transaction prices before deals closed and empowered officials to reduce any price out of line with "standard prices" based on sample lots and usually behind the market. Banks were "asked" not to lend to speculators. And the capital gains tax on land sales, already high, was pushed up to 96% on land held for less than two years. This will only serve to keep land off the market.

The results do not speak well for jawboning and price controls. True, some residential property has recently dropped 20% to 30%. And some second-rate commercial land dipped 1% or 2%. But quality residential land is holding its value; there is lots of money around, and Japanese consumers will pay whatever they can for decent housing. And really good Tokyo commercial land continues to rise with rents *(see chart)*.



* Per annum, excluding charges, rates and taxes.

Source: Richard Ellis World Rental Levels: Offices, *Richard Ellis, Inc.*

Even the Japanese, good business people that they are, cannot repeal the law of supply and demand—and tampering with the law will only make things worse.

KITARO WATANABE

Chrysler's Man In Japan

In 1983 the late Kenji Osano, postwar Japan's most potent kingmaker and one of its most influential businessmen, was reportedly frustrated with the sluggish sales of his Chrysler distributorship in Japan. He wanted to cancel the license, but the government feared this would irritate Washington at a delicate time. So Osano sold the distributorship to a younger businessman eager to gain entry into Osano's world. The younger man was Kitaro Watanabe.

Zaikai

Kitaro Watanabe

Chrysler still doesn't sell many cars in Japan, but Watanabe profited greatly from Osano's advice, which was to buy Hawaiian real estate. Investing heavily in the islands, he now owns six hotels there, including Honolulu's Hyatt-Regency. His Hawaiian investments are estimated to be worth nearly $800 million.

Like many of our Asian megarich, Watanabe, new to our list, arrived at affluence by way of severe adversity and tragedy. His family—parents and brothers—was wiped out in the bombing of Tokyo. An 11-year-old orphan in 1945, he was apprenticed by his grandmother to a textile manufacturer. Later he worked in a motorbike shop, which threatened to fold. Watanabe borrowed Y3 million (then worth $8,333, and a great deal of money) and took it over. From motorbikes he moved to used cars, just in time to catch the motorization of Japan, using cash flow from the car business to buy land, often parking lots. This land is the source of his real wealth. Watanabe owns 99,000 square meters in downtown Tokyo, where the cheapest parcels go for around $77,000 a meter. His land is being developed and soon will carry 396,000 square meters of office space. Even with debt estimated at $2.4 billion, Watanabe's land in Tokyo and Hawaii must be worth some $5.2 billion. Incidentally, that's more than Chrysler's market value.—**Hiroko Asami**

HARUHIKO YOSHIMOTO

Be Nice To Bar Girls

Having accumulated several billion dollars, Haruhiko Yoshimoto has taken to writing books on how to make money. Now he has an English version and says he approached a publisher. His formula: Be cheap, save money and invest the savings in real estate. "We don't buy

Robert Wallis/JB Pictures

Haruhiko Yoshimoto

writing pads, which my employees obtain from banks' counters," says Yoshimoto.

The heir of an old Osaka landlord family, after the war Yoshimoto parlayed his key parcel (near the Osaka train station) into what is now a 10,000-square-meter empire. At the planning stage are two hotels—one to be near the New Osaka International Airport—and a marine leisure center to be situated on Shodo Island, on the Inland Sea of Japan.

So what happened with the English-language publisher? Yoshimoto says he wrote in one volume that he has never bought a drink for a bar hostess, and he grouses this ruined the deal. "They claimed that I humiliate hostesses," he grumbles. But he still sells well in Japan. Besides Japanese royalties from his ten books, Yoshimoto, now 64, gives eight lectures a month, at about $3,800 a shot.

But property remains the core of his fortune, now valued at over $7.8 billion.—**Hiroko Asami**

HIDEKI YOKOI

Illiquidity Trap

Yokoi, 75, has most of his billion-dollar-plus fortune (reportedly based on wartime profiteering 50 years ago but now in real estate) tied up in a ruin of his own making—the Hotel New Japan, once a central Tokyo landmark but now a burned-out shell. The 1982 fire killed 33 people. Yokoi had failed to install fire-prevention equipment as required by law. Convicted of accidental homicide and sentenced to three years in prison, he is out on bail pending appeal.

Meanwhile, redevelopment is deadlocked. Yokoi is asking $231,000 per square meter for the 2.15-acre Akasaka site—$1.8 billion for the parcel. Would-be buyers have withdrawn, and he may have defined the ceiling for Tokyo's stratospheric land prices. Meanwhile Yokoi, who owns 90%, reportedly has difficulties buying out the other 10%, which is enough to block reconstruction. Even in Tokyo real estate can be illiquid.—**Hiroko Asami**

Zaikai

Hideki Yokoi

HEIZO KOBAYASHI

Land Lust

One of the reasons Japanese businessmen have been willing to bid land prices into the stratosphere is that history has taught them that land ownership is often the key to survival when things are really bad.

One of 13 children of a hardworking Honshu island silkworm grower, Heizo Kobayashi went to Tokyo, and in 1933, at age 20, opened a charcoal shop (charcoal then being the predominant heating fuel in Tokyo). To keep busy in the summer, he sold ice. Then came the war, and Kobayashi's prospering little business was finished: In 1940 his shop was merged with other ice shops by government order. Kobayashi had bought no land; without hard assets, the merger terms left him with nothing to show for all his work.

Zaikai

Heizo Kobayashi

When the war ended Kobayashi was 32, and had to start all over again. He wholesaled gelatin dessert and opened another ice shop, a pachinko parlor and a commercial fishing pond. This time he bought the land underneath his disparate operations.

Kobayashi got into the restaurant business in 1952, when he hired a small Cessna and dropped 10,000 leaflets on Tokyo reading "The democratization of taste, Restaurant Sanpei." His ultracheap restaurant was an immediate success. Since then Kobayashi has upgraded his early Sanpei outlets into a chain called Restaurant Sunpark.

In 1962 Kobayashi began building a chain of supermarkets, then opened discount shops, then added two hotels in Tokyo. With his war-economy experience still in focus, he kept buying the land he built on.

Today Kobayashi owns some 5,500 square meters in Tokyo's Shinjuku district. This property is worth about $1 billion. In 1973 he became an early Japanese investor in Hawaii; he now owns 9,900 square meters on Oahu, where he is developing office space and condominiums.

Now 75, Kobayashi tends the sprawling garden of his home in an exclusive Tokyo residential area. In it, centuries-old trees are planted; exquisitely bred carp, each one costing $8,000 or more, splash the water of a pond. At one corner of the garden is a valuable decorative stone given him by then Prime Minister Hayato Ikeda, Kobayashi's good friend and rival in gardening. Kobayashi remembers that when he was a boy, his father drummed into him the rule "No work, no pay, no dinner." The son added a line: No land ownership, no permanency.—**Hiroko Asami**

RINJI SHINO

Island Fever

Rinji Shino, 79, is descended from a landowning family dating to the 12th century. He has proved himself a canny buyer since World War II, when the American occupation broke up the vast Shino estate. He undertook to buy it all back, piece by piece, plus any other property he could find—including a vineyard and a small forest outside Paris, and a small, apparently worthless desert island in Japan's Inland Sea.

Rising land values have boosted Shino's estimated net worth from last year's Y300 billion to Y336 billion, about $2.6 billion. Even his small desert island, which he bought in 1960,

Robert Wallis/JB Pictures

Rinji Shino

now enjoys access, thanks to the newly constructed Seto bridge. Shino is apparently keen to capitalize on the bridge by either selling the island or developing it in a joint venture. If he does sell, smiles Shino, "I would surely be listed as [Japan's] biggest taxpayer."—**Hiroko Asami**

SEIJIRO MATSUOKA
Sweet Dreams

Seijiro Matsuoka built one fortune in import-export during World War I and then a greater one buying (and holding) real estate after the Great Earthquake of 1923.

He says he found that real estate is better: "It brings you money in your sleeping." To him this is important, since his formula for longevity involves getting plenty of sleep—as much as 12 hours a day. He also recommends a bowl of ground Japanese white radish in the morning, a nightcap at night and a hobby.

Robert Wallis/JB Pictures

Seijiro Matsuoka

His hobbies are buying real estate and collecting art; on the latter he spent Y1.6 billion (about $12.3 million) over the past year alone. It is getting rare for him to attend auctions in person. His latest purchases were at a Chinese ceramic auction in Hong Kong; his winning bids came by telex. But at age 94, it's hard to blame the formula.—**Hiroko Asami**

KEN HAYASHIBARA
Gaijin Wanted

While he reads and practices karate, Ken Hayashibara's real estate and his Hayashibara Biochemical Laboratory, Inc. keep appreciating. The real estate alone is now worth an estimated $1.4 billion. Hayashibara Biochemical is based on the medical maltose business Ken salvaged from his father's candy business and built after his father died in 1961. Now 46, Ken is moving the company into genetic engineering, and hopes to have his first product, alpha interferon, on the market by the end of the year. Hayashibara is looking hard for foreign talent for more high-tech pharmaceuticals. It's not easy though for such a small company to attract serious Western talent. Only three *gaijin* are aboard, and the company has been looking since 1985.—**Hiroko Asami**

Matsumoto/Sygma

Ken Hayashibara

HIROTOMO TAKEI
From Sexposés To Golf

Glossy sex, sports and screen stars play as well to the masses in Japan as anywhere and have helped create a net worth estimated at $3.3 billion for Hirotomo Takei. The 67-year-old Takei is a journalist who founded *Asahi Geino*, a highly successful weekly magazine. *Asahi Geino*'s editorial policy, says Takei, is devoted to "the three S's, namely sex, sports and screen."

But there is more than soccer and sexposés to Takei's privately owned Chisan Group. Takei also inherited some real estate in the 1950s. From his growing property and publishing base he has bought cookie, fish, meat and other food processing and distribution companies. These tend to throw off steady, if unspectacular, cash flow with which to finance more acquisitions. Takei has also added a moneylending affiliate to Chisan, which he portrays as a nice, friendly conglomerate.

Zaikai

Hirotomo Takei

Takei says he despises hostile takeovers and would never try one himself. This is a very Japanese thing to say, but it doesn't quite square with Takei's reputation. Through its lending affiliate, Chisan recently picked up a 29% interest in Kasho, an important but low-profile import-export firm, from a debtor who had fallen on hard times. Through similar means Takei has taken over at least three troubled food companies in the past two years alone.

Also very Japanese is Takei's love affair with golf and hotels. At last count Takei owned 14 golf courses, 32 hotels, 29 apartment buildings and 13 office buildings spread around Japan.—**Hiroko Asami**

Japan Industry

TADAO YOSHIDA
Robber Baron's Disciple

If you look, chances are you're wearing one of Tadao Yoshida's products. Now 79 and debilitated by a stroke, he founded Yoshida Kogyo K.K., better known as YKK, in 1934 and built the company into the world's dominant zippermaker. He did so in part by following the example of one of America's robber barons. "My father's business philosophy was heavily influenced by Andrew Carnegie's autobiography," says the founder's son and YKK's executive vice president, Tadahiro Yoshida, a Northwestern University M.B.A.

In 1987 YKK accounted for 50% of the world's zipper output, churning out 1.1 million miles of zippers, enough to gird the globe 40 times at the equator. The Yoshida family's 30% stake in the $4 billion (sales) enterprise is worth $2.1 billion.

In the 1960s Tadao Yoshida became one of the first Japanese businessmen to venture overseas. He built a local presence and grew with booming garment industries in Taiwan, Hong Kong and Thailand. Today YKK is one

Tadahiro Yoshida

Robert Wallis/JB Pictures

of the most multinational of Japanese corporations, with zipper factories in 40 countries—including a huge automated plant in Georgia. The company reinvests all of its considerable overseas profits in additional growth. So far it has never repatriated profits to Japan, and gives local managers great autonomy.

"Zippers are a fashion component," Tadahiro reminds us. "If a Belgian jeans manufacturer requires a special zipper, our Belgian company will design it for them." The Yoshida family—seven relatives work in YKK—is now diversifying. In the early 1960s the company used its aluminum alloy technology developed for zippers to move into aluminum building materials. Today the company derives 70% of sales from the aluminum building materials business and ranks second in that industry in Japan.

In 1984 YKK bought a 27,000-acre ranch in Brazil to raise coffee, soybeans and cattle. Explains Tadahiro Yoshida: "My father dreamed of owning a farm."—**Andrew Tanzer**

SEIJI TSUTSUMI

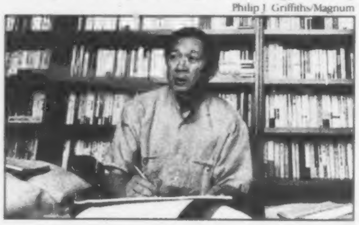
Leftist Makes Good

Seiji Tsutsumi, 61, is a poor billionaire when compared with his brother Yoshiaki Tsutsumi *(which see)*. But, as the chairman of Seibu Saison Group, he heads a retailing empire with 1986 sales estimated at $22 billion. Seibu Saison has lots of debt, but Seiji Tsutsumi's shareholdings in the Group's publicly owned companies and the privately owned Seibu Department Store are worth $1.8 billion.

In 1940 Seiji's father, Yasujiro Tsutsumi, purchased his first department store in Tokyo. Seiji went to elite Tokyo University, where he was a left-wing student activist and an aspiring poet and novelist. (Tsutsumi has published poems and novels.) Those proclivities probably cost him control of the core family holdings, but Seiji did okay. He went to work for Seibu Department Store in 1955 at 28 and assumed control after his father died in 1964—having left most of his real estate, as Seibu Railway, to Yoshiaki.

Perhaps Seiji's days as a leftist taught him what the masses wanted. He built his Seibu into one of Japan's trendiest department store chains. Seiji has also diversified into supermarkets, convenience stores, restaurants, resorts, hotels, travel agencies, consumer credit, real estate development—Seibu Saison Group now has over 100 companies.

Philip J. Griffiths/Magnum



Seiji Tsutsumi

His feuds with Yoshiaki, his richer half-brother, are a perennial topic in the Japanese business and gossip press.—**Hiroko Katayama**

MASATOSHI ITO

Look To Mars

Masatoshi Ito's 131 Ito Yokado supermarkets and 3,311 7-Eleven stores are by far the most profitable among big Japanese retailers. Ito's public companies are now valued at $20 billion. Ito himself is worth over $2.5 billion.

Despite the stores' growth and the cheap dollar, foreign products still account for only about 8% of Ito Yokado's sales. Ito blames this on the foreign suppliers, Americans in particular. "American food producers don't have a mind for business," he complains to FORBES. He leafs through a report on his desk listing U.S. products and their prices in Japan, and pounces on Coca-Cola. When Ito Yokado buys its Coca-Cola through Japanese distributors, Ito must pay 1.4 times the American wholesale price, even after adjusting for transportation and tariffs. Ito wishes Coke and other American suppliers would make more efforts to sell to him directly and cut through the web of Japanese middlemen.

Masatoshi Ito

Robert Wallis/JB Pictures

He also wishes American food producers would pay more attention to packaging. "An American company asked me for more sales efforts to increase their sales. But unfortunately, I could hardly guarantee it. Their products are canned goods, and the Japanese in general dislike using can openers."

Ito does give high marks to one U.S. vendor: Mars, Inc. Sales of Mars' M&M's candies have rapidly increased thanks to low price and high quality. Mars, says Ito, shows how much opportunity there is in the Japanese market.—**Hiroko Asami**

AKIKAZU FUJISAWA

Consumer's Best Friend

He's the man who bet his future on forcing a breakthrough against Japan's notoriously inefficient distribution network—and won. Fujisawa, 52, son of a rice farmer, is a high school graduate who moved to Tokyo with his family in 1960.

Fujisawa had the fresh eyes of a newcomer. He foresaw the surge in sales of automobiles, home appliances and cameras in the 1960s and 1970s. He started as a wholesaler of cameras and camera equipment—the product his slender means could stock. For an edge, he dealt strictly in cash, both buying and selling, so he could cut his price. He was an early discounter in a land that frowned on discounting.

Appalled retailers in Japan's comfy, high-priced distribution network

Akikazu Fujisawa

Robert Wallis/JB Pictures

pressured suppliers to boycott him. But the consumers loved him. By 1975 he was able to open his now-famous Yodobashi Camera in front of the busiest Japan National Railway station, in Tokyo's Shinjuku district. He opened more stores, added watches, calculators and hi-fi. And from 1982 video and home appliances, all still bought—somewhere—for cash or short-term deferred payment. Fujisawa bought many of the sites he uses, and that real estate is good for a third of his estimated billion-dollar fortune. Next step? Maybe European-style hypermarkets *(see Bouriez and Ito)*.—**Hiroko Asami**

KANICHIRO ISHIBASHI

He Didn't Flinch

Akira Ieiri, the president of Bridgestone Tire, has been quoted as saying that "only three producers could survive in the global tire market in future."

His boss, Kanichiro Ishibashi, 68, whose father founded Bridgestone, agreed that to become one of the three survivors Bridgestone would have to expand through acquisition. It bid $750 million for 75% of Firestone, then, when Italy's Pirelli topped that bid, raised the ante. Ishibashi (literally "stone bridge") huddled with Bridgestone's professional managers for a week. Then came their unflinching response: a $2.6 billion offer for all of Firestone. Pirelli threw in its hand. Bridgestone had the prize—but at a huge price.

Zaikai

Kanichiro Ishibashi

Firestone's U.S. factories will cost hundreds of millions more to modernize. Bridgestone expects earnings to be depressed for three or four years. But now Bridgestone is the third-largest tiremaker in the world (behind Goodyear and Michelin), with 16% of world volume. Firestone adds a valuable foothold in Europe, as well as U.S. plants to serve the Japanese carmakers setting up here.

The Ishibashi family's 14% stake in Bridgestone was recently worth $880 million.—**Hiroko Asami**

KEIZO SAJI

Foot-In-Mouth Problems

Suntory, Japan's biggest distiller, is staggering. Its whiskey sales have been dropping as much as 4% a year. Last year Britain's Guinness Plc. switched sales agents in Japan. There went I.W. Harper bourbon, Suntory's biggest, most heavily promoted import brand. And its Suntory Old, once the bestselling Japanese whiskey, is reckoned an old-fogey drink by the young generation. A tax on imported liquor that long sheltered Suntory and other Japanese distillers will be reduced next spring. Foreign distillers are likely to gear up for more sales, if possible through their own channels. In the beer wars, rival Asahi has a bestseller in Asahi Super Dry.

Philip J. Griffiths

Keizo Saji

Suntory Chairman Keizo Saji, 68, has been taking his foot out of his mouth. At a February conference on moving Japan's capital from Tokyo to reduce overcrowding, Saji asserted it shouldn't go to Tohoku, the northern region of the main island, because the "cultural level is so low over there." Uproar followed. Saji apologized profusely, but there's a highly publicized boycott against Suntory products in Tohoku.

At current Japanese price/earnings multiples, Suntory would still be worth billions. Privately held, mostly by the Saji family, the company is clearly still very valuable. But it needs to come up with new products and a new image.—**Hiroko Asami**

KUMAGAI FAMILY

The Caretaker

When Santaro Kumagai set up his construction company back in 1938, he took Jinichi Makita, his trusted lieutenant from another company, with him. That Kumagai Gumi is today one of Japan's big six international construction firms owes mainly to Makita. The boss pursued a political career and named his son Tasaburo Kumagai, now 81, president of the company. But Tasaburo, too, had politics in his blood, and wrote poetry in his spare time.

While political clout never hurts a construction firm, business talent is also required. Luckily, Jinichi Makita proved a tough-minded businessman. He organized a top-flight collection of subcontractors, bought into major projects, even set up a factory to produce construction equipment because what he could buy didn't suit him. In 1968 Tasaburo made Makita president in name as well as fact. He retired from the presidency in 1978 so that Tasaburo's son Taichiro Kuma-

Robert Wallis/JB Pictures

Taichiro Kumagai

gai, now 55, could take over. Makita died in November, at age 94, and left behind a construction giant that is building harbor tunnel projects for Hong Kong and Sydney, and the $228 million Broadway Crown Plaza hotel/office complex among numerous other projects in New York and elsewhere.—**Hiroko Asami**

TAKENAKA FAMILY
Meet The Competition

United States firms seeking construction contracts in Japan better take the measure of the Takenaka family's Takenaka Komuten, which imports construction knowhow and sells it to fellow Japanese. The Takenaka name means a lot in Japan; ancestors built the famed and beautiful Nagoya castle. Recently, under their 16th headman, Toichi, 45, the family firm imported American airdome technology to build their locally famous "Big Egg," or Korakuen Stadium. For the winning bid to build a second National Theater—Japan's first opera house—they sent engineers to West Germany's Hanover Institute of Technology. The list goes on.

Takeshi Takahara

Toichi Takenaka

Takenaka Komuten made Y9.8 billion aftertax in 1987, up 26%, on Y811 billion in revenues. That razor-thin 1.2% profit margin is typical in Japanese construction. Just imagine trying to bid against them and stay solvent.—**Hiroko Asami**

KONOSUKE MATSUSHITA
Nonmonetary Asset

The vast consumer electronics empire Matsushita founded continues to prosper, thanks to strong demand in the domestic market and excellent management *(see* Forbes, *July 13, 1987)*. Domestic sales for the fiscal year ended March 1988 were Y2.9 trillion, overseas sales about Y2 trillion—a total of nearly $39 billion. Projections for this fiscal year call for a 10% increase in domestic sales against a 1% drop in exports, assuming the dollar averages Y120 per $1. Matsushita will accelerate overseas production this year too; some $4.3 billion worth of products will be manufactured outside Japan, up 24% from last year.

Ethan Hoffman/Archive

Konosuke Matsushita

Matsushita built the company through a brilliant mix of price-cutting, long-range planning, and employee relations designed to make every worker feel responsible for the success of the whole enterprise. At 93, he lives at the Matsushita Hospital, built for the employees. He holds over $2 billion of stock and enjoys the nearly universal veneration of his countrymen.—**Hiroko Asami**

KENKICHI NAKAJIMA
Master Gamesman

Kenkichi Nakajima figures he's doing the world a favor: "To stabilize society, pachinkos contribute much," he says. "They really soothe people's anxiety."

Pachinko, as anyone who has visited Japan knows, is a pinball-like petty gambling game on which an estimated 29 million Japanese of all stripes—salarymen, college students, housewives—spend maybe $80 billion a year. Nakajima is a wicked player and claims he can routinely make $385 in a five-hour sitting.

Robert Wallis/JB Pictures

Kenkichi Nakajima

But that's not how Nakajima, 67, has amassed his billions. That he's done by becoming the predominant manufacturer of pachinko machines. His company, Heiwa Kogyo, has 37% of the market (the rest is split among 15 rivals). Last year Heiwa reported $117 million pretax profits on revenues of $428 million)—an astounding 27% margin. In September Heiwa will go public on Tokyo's over-the-counter market, where it will probably be valued at $3 billion. Nakajima owns 95% of Heiwa.

Nakajima got into pachinko in 1949 by opening a parlor. In 1960 he began making machines for his and other parlors and, within the decade, was dominating the market. Heiwa's 87 engineers develop new machines every two or three months, thus keeping ahead of fickle public tastes while not running afoul of government regulations that require pachinko to be a "skill" game. Research and development amounts to 7% of sales.

Nakajima is a game player par excellence. Aside from pachinko prowess, he took up golf in his 40s and became a scratch player in six months. He used to play go, the traditional Japanese board game roughly equivalent to chess, for up to 63 consecutive hours. Now 67, he's slowed down to being ranked at the top in a private mah-jongg league.

Nakajima wants to export pachinko machines, and he plans an assembly plant in the U.S. He says China's former vice premier, Deng Xiaoping, has approached him. Nakajima promised to send Deng ten machines as a gift. As for how best to play pachinko, the master gamesman advises: "Don't be greedy."—**Hiroko Asami**

YASUO TAKEI
Up From Usury

As a young man Yasuo Takei, 58 and new to our list this year, had a shadowy background. As a young railroad worker he reportedly was shot by local gangsters in a quarrel. Around 1951 he went to Tokyo and worked at a pachinko parlor. Until the government clamped down, he was a black market dealer in rice, the staple of the Japanese diet.

By the early 1960s Japanese consumers were desperate for credit to

Yasuo Takei

Zaikai

buy the consumer durables finally becoming abundant. Banks would not lend without hard collateral like real estate or the life savings of elderly parents.

Thus were created Japan's usurious *sarakin,* who lent money to consumers at rates up to 109.5% per annum and often employed *yakuza* (gangsters) to intimidate slow payers. The intimidation seems to have had its effect: In 1978, a bad economic year, about 180 debtors of *sarakin* committed suicide and 2,203 disappeared.

Takei became a *sarakin* and built a large organization now known as Takefuji. In 1978 the government began clamping down on the *sarakin* by dragging commercial banks into consumer lending. In addition, *sarakin* lending rates were limited to 73% annual interest, soon to be reduced to 40%.

Few *sarakin* could compete, but Takei survived and prospered. He cut the number of his lending offices from 521 to 374 and has installed 221 automatic teller machines. Thus Takei could compete with the banks, and, to add respectability, he hired such august bankers as Yoshio Akiyoshi, formerly a vice minister at the Ministry of Finance.

Takei, the *sarakin* king, has a personal net worth of $1.5 billion, including his private holding company.—**Hiroko Asami**

RYOICHI JINNAI

Once A Marxist, Always. . . ?

This onetime Marxist agitator went on to become what he once preached against: a moneylender. The son of a poor farmer, Jinnai, now 62, got through college and came out a radical. He found a government job at the Ministry of Agriculture, but devoted himself to labor union activity and advocating Marxism. In 1950 he lost his job in a purge of leftists.

To feed himself, he peddled shirts and became a caseworker for a Christian welfare organization. He looked around, it is said, and observed salarymen in the Osaka area where he lived who were spending all their income on drinks and girls. Such people were often desperate for ready cash. Jinnai became a moneylender—at rates that even the most greedy capitalist would consider usurious.

He almost went under in 1984, when the government was clamping down on his version of capitalism, but his supporting banks backed him through his cash emergency and he recovered. Now his Promise is the third-largest *sarakin.*

The equity of Jinnai and his family, given Japanese multiples, is $1.7 billion.—**Hiroko Asami**

HISASHI ISHII

Japan's Bernard Baruch

In his autobiography, Hisashi Ishii, a new Japanese entry this year, wrote of his experience in Tokyo just after World War II: "I felt lost, giving up the long-cherished dream." Ishii's dream had been an "intellectual occupation." Born the fifth son of a poor farmer in Fukuoka Prefecture, he worked from the age of 15 in a local steel mill through World War II. After the war, he opened a *dorayaki* stand (*dorayakis* are inch-thick cakes baked and prepared in front of the customer on the street). He soon saved Y30,000, the equivalent today of $230 but back then a respectable sum, and set out for Tokyo to become a lawyer—the intellectual occupation he dreamed of.

Zaikai

Hisashi Ishii

But postwar Tokyo was so crowded that newcomers were prohibited entry unless they took a needed occupation; Ishii became a policeman, and his dreams of law school vanished as inflation ate away his paltry savings. That's when he changed course and decided on a life of moneymaking.

Quitting the police force, Ishii began buying and selling on Tokyo's rampant black market and soon had some capital. By 1948 he was ready to play the Tokyo Stock Exchange. "I worked hard, I memorized all the daily transactions and the historical data of each stock," he wrote. No doubt his black market trading experience also helped. In any case, he predicted the market crash of March 1949, and sold out on the previous day at a huge profit.

Ishii's market prognostications gained fame. Around 1952 Ishii predicted a big bull market—the Japanese Dow Jones average was at 240 and proceeded nearly to double in the following year. And for 1953 Ishii predicted a crash in February—that selloff is remembered to this day as the Stalin crash because it coincided with the Russian leader's death. In 1957 Hisashi Ishii established his own small brokerage.

Ishii is 65, and the Japanese Dow is around 27,000. For the fiscal year ended September 1987, his brokerage, Tachibana, reported Y6.86 billion of profits ($53 million), and the 81% owned by Ishii and his family is worth around $1.3 billion.—**Hiroko Asami**

MASAHITO OTSUKA

Lucky In War

Japanese businessmen have always been adept at going to the U.S. in search of talent and technology, and Taiho Pharmaceutical, the main company of the Otsuka family's group, is no exception. Otsuka has set up several laboratories overseas, in Canada, West Germany and in Seattle. It generally sends Japanese technicians, say two or three at a time, to run the labs and keep their ears to the ground. Otsuka heavily concentrates on anti-

Robert Wallis/JB Pictures

Masahito Otsuka

cancer drugs, which now account for more than half Taiho's sales. Masahito Otsuka's and his family's stock in Taiho Pharmaceutical is worth about $1.7 billion. That puts the clan a long way from hard times after WWII, when Otsuka's young company almost went bust. Fortunately for Otsuka, the Korean War broke out in 1950. The war triggered a boom in the injectable drugs he manufactured, and Otsuka, now 71, was saved in the nick of time.—**Hiroko Asami**

SHOJI UEHARA

Heir Today, Hair Tomorrow

Shoji Uehara, 60, is chairman of Japan's Taisho Pharmaceutical, which sells at a rarefied 76 times earnings, valuing the Ueharas' holding at $1.5 billion. But the family cannot, and probably won't, rest on its laurels. Taisho heavily depends on over-the-counter drugs, an ever changing business that now accounts for 80% of total volume. Lately the Ueharas have won the Japanese rights to Upjohn's much-publicized hair-growing agent, Minoxidil. Taisho hopes to have it on sale in Japan in early 1990. Taisho is also working to gear up the ethical drug side, with a target of tripling sales in this business to $385 million in 1995.

Robert Wallis/JB Pictures

Shoji Uehara

Meanwhile, Shoji is preparing for succession by naming his son-in-law Akira Uehara (who took the family name) Taisho's president. Akira's brother has married a relative of Princess Michiko, the Emperor's daughter-in-law. This association with Japan's royal family, tenuous though it seems to outsiders, has added luster to the money behind the Uehara name.—**Hiroko Asami**

KIYOSHI SAGAWA

Watch Out, Federal Express

Sagawa ran away from a prosperous home at 17 (stepmother problems) and, with two bicycles, started a courier business. The Sagawa Kyubin group long ago spread all over Japan using an incentive system whereby each courier was made responsible for obtaining new orders and collecting money as well as making deliveries, just as Sagawa himself originally was. His several companies today do a couple billion dollars' worth of business a year; his equity must be at least $2 billion.

Kyodo Press

Kiyoshi Sagawa

Sagawa, 66 and presumably happy in his huge (by Japanese standards) home in Kyoto ("Earn enough money so you can afford to waste some," is his motto), is moving into international multimodal transport: plane, train, ship, all taking his business far beyond Japan.—**Hiroko Asami**

Korea

CHON BROTHERS

Identity Crisis?

The Chon brothers—Chon Jin Shik, 56, and Chon Yong Shik, 62—call themselves North Koreans. North Koreans? The brothers, new to our list, were born in Pusan, in the south, and moved with their family to Japan in 1941. At war's end they worked the black market. In 1951 they opened a pachinko parlor in Fuchu city, a conservative town that would seem especially unpromising for Koreans. But the Chons put Japanese employees in the front, and eventually came to own every pachinko parlor in town. In 1958 their Sakura (Cherry Blossom) group opened its first big discount food-and-sundries "superstore." Last year Sakura group sales topped Y56.4 billion ($434 million), profits $21 million. At prevailing multiples in Japan, the group would be worth some $1.3 billion.

The Chons say they have a joint venture with North Korea's Kim Il Sung gang that will soon export 2 million pieces of clothing a year, some to West Germany, Canada, Hong Kong and Japan.

"We are not Communists, but we wish the Korean peninsula to be unified some time in the future," Chon Jin Shik told Forbes. He should be taking his message to the isolationist dictator who runs the shabby country.—**Hiroko Asami**

SHIN KYUK-HO, A.K.A. TAKEO SHIGEMITSU

A Korean Disney

By whichever name, Shin Kyuk-ho (his original Korean name) is probably the only man in the world to become a multibillionaire twice, in two separate countries. His total net worth is over $8 billion.

In Japan, Shin/Shigemitsu's 19-company, $2 billion (1987 sales) Lotte Group includes confectioneries, fast foods, delicatessens, vast real estate—and a pro baseball team. In Korea, his 24-company ($3 billion sales) Lotte Group includes hotels, department stores, confectioneries, fast foods, petrochemicals, aluminum, construction, trading, banking—and a professional baseball team.

Zaikai

Shin Kyuk-ho

Shin, now 65, moved from his native Korea to Tokyo in 1943, an aspiring novelist who studied engineering because it was a draft dodge during the war. "I despised those who made money," he tells Forbes. After the war he began making hair cream and soap. In 1948 he added chewing gum, buying his ingredients on the black market. "I thought the only way to win was to make the best quality." From chewing gum he went on to chocolates.

In 1967 Shigemitsu returned to South Korea and is today counting heavily on his $1 billion Lotte World, scheduled to open for the Olympics. The 20-acre, four-story theme park is covered by one of the world's largest glass domes, and will be surrounded by department stores and hotel towers. The theme park will feature hot air balloons, fiber-optic fireworks, waterfalls and more. Shin expects 500,000 visitors a day to the complex. "Korea is motorizing," he says. "On the weekend families are going out together more. People will remember me by Lotte World."—**Andrew Tanzer**

LEE BYUNG-CHULL FAMILY
In Good Hands

Before he died in November at 77, Lee Byung-Chull, the legendary founder and chairman of Samsung, defied Confucian tradition by appointing his third son to run the highly profitable *chaebol.* Intensely competent, Lee Kun-hee, 46, will nonetheless face formidable hurdles in running the $24 billion group, with affiliates in consumer electronics, retailing, hotels, insurance and other businesses from textiles to food, from shipbuilding and construction to semiconductors, genetic engineering and aerospace.

"I have a dream to build Samsung into a world-class company, a genuine multinational," young Lee told **Forbes** in March. He added, "If we don't move into more capital- and technology-intensive industries, our very survival might be at stake." The same is true of Korea. As founder Lee said before his death: "Samsung is a social entity. Its rise and decline is directly related to the rise and decline of the state."—**Diana Fong**

H. Edward Kim

Lee Kun-hee

CHUNG JU-YUNG FAMILY
Peace? Or A Lull?

Hyundai's tough little Excel cars continue to dazzle. Excel subcompacts are so cheap that General Motors and Ford sued Hyundai for dumping in Canada; Hyundai won the case in March. In the U.S. sales are expected to top 300,000 this year. Come fall, Hyundai will introduce the Sonata, a midsize front-wheel-drive model that the company sees as the next step in becoming a true world automotive competitor.

H. Edward Kim

Chung Ju-yung

With success comes problems—in this case, labor unrest. Hyundai weathered one wave of nationwide strikes that crippled auto production last year. A second wave began in May, when Hyundai workers demanded a 48% pay raise and rioted when Hyundai executives were charged with kidnapping a union organizer.

Chung Ju-yung, 72, Hyundai's passionately antiunion founder, turned the title of chairman over to younger brother Chung Se-yung, 59, last year. Chung Se-yung, a U.S.-educated internationalist, has said publicly that he is willing to work with unions. But founder Chung Ju-yung is believed still to wield power, and is grooming his sons to take over the company. Labor peace? Or merely a lull in the fighting?—**Diana Fong**

Taiwan

RUMOR MILL

The Taiwan Stock Exchange is exploding. In December 1986 the market index was 1039; in precrash October, 4700. The crash knocked it to 2300, but it's now back near 5000.

"Ninety percent of the trades come from individual investors," explains Blair Pickerell of Jardine Fleming Taiwan. "Most are short-term oriented and react to rumors rather than fundamentals." Pickerell notes that there is plenty of cash around and says that with the rapid appreciation of the NT dollar against the U.S. dollar, there's little incentive to invest outside Taiwan, even though foreign exchange controls have been lifted.

Dangerous? You bet. Of the 140 stocks on the Taiwan Stock Exchange, 15 account for over 50% of the entire market capitalization. The government holds 25% of all listed stock, family and corporate groups, 45%, leaving only 30% to the public. There is very little regulation. It adds up to a very thin market for companies that sell at an average price-earnings ratio of 30.—Diana Fong

HSU FAMILY
Why Quotas Are Dumb

Before Mao Tse-tung's Communists drove Chiang Kai-shek's Nationalists to Taiwan, Y.Z. Hsu, now 76, ran a small knitting factory in Shanghai. Last year the Hsu family's Taiwan-based FET Group (for Far Eastern Textile) earned $200 million aftertax on $1.4 billion in consolidated sales. New to our list, the Hsus are worth at least $1.1 billion.

In 1957 the Hsus began diversifying—into cement production, and

Excellence Magazine

Y.Z. Hsu

Excellence Magazine

Douglas Hsu

then into department stores; theirs is now the island's only chain.

But FET Group's core is still textiles; direct exports amount to 50% of volume. Douglas Hsu, 45, the founder's U.S.-educated eldest son, is president of FET Group. How does Hsu cope with U.S. textile protection? "We sell to 40 countries and don't rely on any one market for exports," and he adds: "Quotas are only numerical, they don't apply to the dollar amounts you can export."—**Diana Fong**

Y.C. WANG
Unrelaxed

Y.C. Wang's built-from-scratch Formosa Plastics Group is the world's largest producer of polyvinyl chloride, the plastic polymer used in everything from pipe fittings, vinyl footwear and textiles to artificial leather. Wang's business is a vertically integrated network of three listed companies involved in every aspect of PVC processing and production. Vast by Taiwanese standards, it is big even by U.S. standards: It earned $695 million pretax on $5.3 billion in sales, up from $379 million pretax in 1986. These gains came despite an appreciated Taiwanese currency that hurts exports, and environmentalist opposition to building an important new naphtha cracker plant (pollution is a big issue in Taiwan—the rivers are filthy, the air foul from hell-for-leather development). Worth around $4 billion and now 71, Wang nevertheless says: "Once one relaxes, he will be left behind."—**Diana Fong**

Ed Kashi

Y.C. Wang

CHANG YUNG-FA
Nonpolluting Diversification

"The chairman likes hotels. He wanted to diversify into nonpolluting businesses," says an Evergreen Group spokesman, explaining why Evergreen founder Chang Yung-fa will soon break ground on a $350 million deluxe resort hotel in Taichung and another hotel in Hong Kong. Other Evergreen real estate includes an office building in New Jersey, another New Jersey site across from New York's World Trade Center, and a commercial development in Hamburg.

Chang Yung-fa

Ed Kashi

Still, container shipping accounts for more than 90% of Evergreen Group profits. The company is a hot item on the manic Taiwan Stock Exchange, where the Chang family's 76% or so of Evergreen Marine, the largest and only listed enterprise in his 14-company group, is valued at $1.65 billion. Neither the cheaper dollar, weak ocean freight rates nor a $30 million U.S. fine in March against one Evergreen company for carrying marijuana through the Gulf of Mexico has hurt the company's reputation among Taiwan's investors.—**Diana Fong**

TSAI WAN-LIN
Where Life Is Expensive

Cathay Life Insurance was founded by Tsai Wan-lin in 1962. Tsai has been careful to command the respect of Taiwan's investors, and they have rewarded him. Cathay, the largest family-controlled stock on the Taiwan exchange, has a market cap of $8.[illegible] billion, higher than Bankers Trust or Chase Manhattan. The Tsai family has an estimated 70%, worth $5.6 billion, making Cathay Life one of Taiwan's most thinly traded stocks. That partly explains its enormous price range last year—NT$123 a share to NT$777 through last October. So does the volatility of the banking sector, up 675% over the same period. But at least Cathay's stock price bears some resemblance to the company's fundamentals.

According to a banking analyst in Taipei, Cathay Life Insurance, which has a one-third market share, holds commercial real estate assets for rental and also invests in listed companies. Taiwan's rising tide, in short, is pushing Cathay Life's value—and the Tsai family's net worth—up even faster.—**Diana Fong**

Tsai Wan-lin

Excellence Magazine

Hong Kong

SIR YUE-KONG PAO
Sir Y.K., Please Call Your Office

Billionaire sea lord Sir Y.K. Pao hasn't been seen in public for months now. Friends say he was treated for cancer in the U.S. and has been resting in Hawaii. But rumors of his death spread one day, driving up the price of his listed Wharf Holdings, a property conglomerate, apparently on the grounds that Sir Y.K.'s management has been complacent. Company officials, meanwhile, insist that Sir Y.K., 70, is simply "very busy."

Stuart Franklin/Sygma

Y.K. Pao

There is much to be busy on. Sir Y.K.'s 14.99% of Britain's Standard Chartered Bank is now worth roughly half the sterling he paid for it. He lost a bid to develop the biggest container port terminal in Hong Kong to Li Ka-shing. Even Sir Y.K.'s Dragonair, the Hong Kong airline, principally to China, is mired in a battle with aviation authorities and Swire Group's Cathay Pacific.

What of Pao's World-Wide Shipping? Says Helmut Sohmen, Sir Y.K.'s son-in-law and head of aviation and shipping interests: "It will be a few years before we expect the [ocean freight] market to be a good one." But Pao isn't to be counted out yet. Sohmen values the nearly debt-free 53 ships at $750 million, and Wharf Holdings sits on a pile of cash —**Diana Fong**

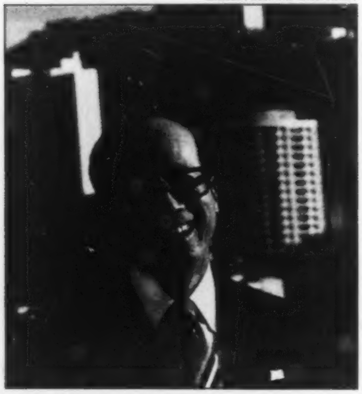
LI KA-SHING
Li's Not Leaving?

Through his Cheung Kong Holdings, Li Ka-shing controls a pyramid of companies that make up over 15% of Hong Kong's stock market capitalization. Li is worth more than $1 billion, but is even more powerful than rich.

Li, 60, has been pyramiding overseas, too. Last year he bought control of Canada's Husky Oil for $418 million, partly through personal investment, partly through Hutchison Whampoa, which he controls. Husky in turn has been buying other companies. This April a Li consortium won the bid to develop Vancouver's 200-acre Expo site.

But don't think Li is leaving Hong Kong for Canada. Last September Li companies acquired 4.9% in the U.K.'s Cable & Wireless, which operates the colony's telephone system. "Hong Kong represents 90% of our activities," says Hutchison Whampoa's Simon Murray. "We've just poured some HK$7 billion [$897 million] into a container port terminal. For every dollar we invest abroad, $3 goes to Hong Kong."

Lincoln Potter/The Stock House



Li Ka-shing

Market? Or firing squad?

Hong Kong's problem is simple to state. No one knows how the communists will treat the colony's capitalists when Beijing takes over the territory in 1997.

The Chinese know how unpredictable events are. Fifty years ago who would have guessed that Mao Tse-tung would conquer and rule in 1949? Or that in 1966 crazed ex-students brandishing red books would bring on the Cultural Revolution and relegate Deng Xiaoping to imprisonment in the countryside? Or that Deng would later return to foment a market revolution?

Now imagine you're a Hong Kong billionaire grappling with the colony's fate after 1997. Will it be the gateway to a billion-customer virgin market? Or the setting for a firing squad?

CHENG YU-TUNG
Smiles To China, Dollars To America

Cheng controls Hong Kong's New World Development, which owns the world-class Regent Hotel. A small-scale jeweler some 30 years ago, he married his way into Chow Tai Fook Jewellery, which is now the largest retailer in town. He also has interests in neighboring Macao. In May, Cheng, Li Ka-shing and Lee Shau-kee sold most of their 12% stake in Hong Kong Land at a nice premium after a showdown with Jardine Matheson taipan Simon Keswick.

What's Cheng's take on Hong Kong's future under the communists? Speaking in his native Cantonese, Cheng predicts great things for the colony, and notes that New World is the largest hotel operator (as opposed to owner) in the People's Republic. "I believe in Hong Kong," said Cheng. Up to a point. He also owns a third of Houston's Allright Auto Parks, the world's largest parking lot operator, and has joined Li Ka-shing and Lee Shau-kee in a plan to develop Vancouver, B.C.'s 200-acre Expo site. He wants more property deals in North America.—**Diana Fong**

KWOK TAK-SENG
Thank God For The Middle Class

Kwok Tak-seng's Sun Hung Kai Properties group has only one-fifth the market capitalization of the conglomerate controlled by Li Ka-shing, Hong Kong's best-known property developer. But size isn't everything, and Kwok has fared far better since the Oct. 19 stock market crash. His secret weapon: Hong Kong's vibrant middle class. "The small to medium residential real estate market, where SHK Properties concentrates, was little affected by the crash," explains Gisa Tse, a Smith New Court Far East analyst. "With low mortgage interest rates [9.5% in Hong Kong] and rising salaries, there's increasing demand to purchase middle-income flats."

South China Morning Post

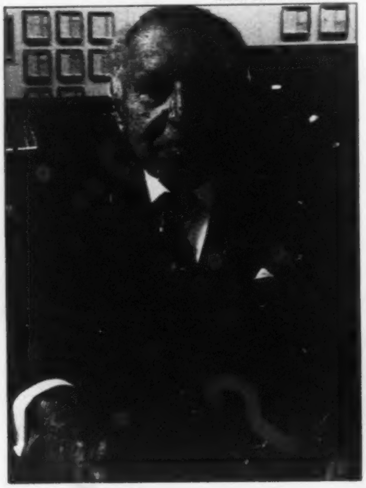
Kwok Tak-seng

Kwok used the crash to bargain-hunt and raised his company's stake in New Town Development, a publicly traded SHK subsidiary, from 72% to 75%. In November Kwok, now 78, and sons Raymond, Walter and Thomas—all British-educated managers in their 30s—also converted their preference shares of SHK to common, another bet on recovery. The Kwoks' stake in the publicly traded parts of the business is now $963 million and rebounding (it was $1.1 billion pre-crash). Privately, they also own at least $110 million of commercial property in San Francisco.—**Diana Fong**

KADOORIE FAMILY

Two Coups For Kadoorie

Talk about timing. Only a few days before Black Monday sent the Heng Seng stock index plunging over one-third, a banking consortium representing the Kadoories—Lord Lawrence, son Michael and Lawrence's brother Horace—sold one-third of family-controlled Hongkong & Shanghai Hotels to public and private investors for $257 million. A few days after Black Monday, the shares were worth $140 million (they're now worth around $217 million). The coup was especially sweet, says Citicorp International's Hong Kong director, Stephen Clark, because the Kadoories themselves were obligated to buy the shares if they couldn't be placed by Oct. 31—at a price of $288 million.



Robert Gale/The Stock House

Lord Kadoorie

Then, a second coup. After the market collapsed, the Kadoories bought in more Hongkong & Shanghai shares, and increased their stake to 35%, lately worth $288 million. As a result, the company is securely back in family control after a raid last summer by Joseph Lau. The family also owns a 30% stake, worth some $784 million, in China Light & Power, which is building a controversial nuclear power plant at Daya Bay in Canton (but that's another story). The Kadoories, says Schroders Asia Securities' Eugene Law, "are becoming more aggressive and expanding overseas; before Joseph Lau came along, they were conservative, complacent."

Not entirely true. Lord Kadoorie, 89, born in Hong Kong, comes from an old Iraqi Jewish merchant family. He keeps a ragged Humpty Dumpty pillow in his office. The pillow is there to remind him how fragile a family fortune can be.—**Diana Fong**

RUN RUN SHAW AND FAMILY

China Mogul

Asked by the *South China Morning Post* what types of films he liked, Sir Run Run Shaw replied: "I particularly like movies that make money." Sir Run Run and his late brother Runme (he died in 1985) made hundreds of films—horror, martial arts and soft porn—and a lot of money. They left Shanghai for Singapore in the early 1920s, established a cinema chain and cranked out silent films. After World War II the brothers dug up S$4.5 million worth of gold and jewelry they'd buried in a vase in their Singapore garden and set up Shaw Brothers studios in Hong Kong, where labor was cheap.

But by the late 1970s the popularity of home videos began to kill the Shaws' theaters, now down from a peak of 300 to 160. But Sir Run Run, seeing Hollywood conquering Asia, acquired lucrative distributorships instead—James Bond, Rambo and Rocky, *Fatal Attraction, The Last Emperor*. He also turned to television. Every day 80% of Hong Kong tunes in to his station, HK-TVB. Early last year Sir Run Run sold 24% of it to Australia's Alan Bond for $180 million. With cronies Li Ka-shing, Cheng Yu-tung and others, he is now investing in a $162 million commercial complex in Singapore. At 81, Sir Run Run is passing the business to sons Vee Meng and Harold and two nephews, all in Singapore. The Shaw family's known interests around Southeast Asia are worth at least $1.1 billion.—**Joyce Quek**

Michael O'Neill

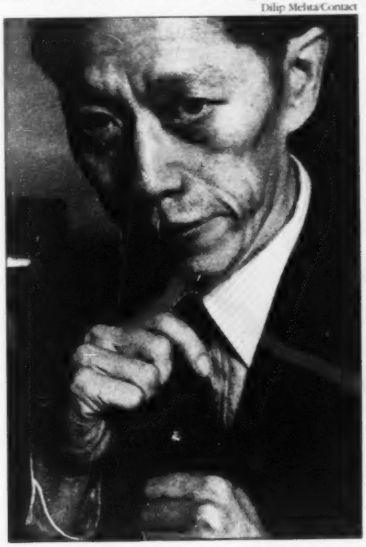
Sir Run Run Shaw

Singapore

LEE FAMILY

The "Rubber Lees" Bounce Back

The value of their 30% stake in the Oversea Chinese Banking Corp. dropped by $200 million in the October crash, but the "rubber Lees" of Singapore, who founded the bank, are still safely in the billionaire class. The bank stock is back to $675 million, and their extensive rubber plantations in Malaysia are easily worth another $500 million, according to a reliable family source. The family has a major stake in Dole pineapple, a result of late family patriarch Lee Kong Chian's business and academic ties to the U.S. during World War II. As major processors of latex, the Lees are also profiting from AIDS, which has multiplied demand for such latex products as disposable surgical gloves and condoms, says Hugh Peyman of Singapore's Merrill Lynch.



Dilip Mehta/Contact

Lee Seng Wee

Family head Lee Seng Wee sits on the bank's board while his two brothers run the rubber, pineapple and palm oil plantations in Malaysia. Since 1983 the bank has been shedding its stodgy image under nonfamily manager Yong Pung How. Recently the bank undercut competitors on home mortgage rates (currently 5¼%) and is moving into stockbroking, insurance and property management.

With 1987 net profits of $64 million, OCBC has not yet regained its onetime leadership of Singapore's Big Four banks, but now even rivals admit it is on the move again.—**Diana Fong**

KWEK FAMILY
Kweks And Quecks

Hong Leong means "plenty of prosperity"—an appropriate name for this family's giant property and finance group. When Singapore split from Malaysia in 1965, the Hong Leong group split along two family lines. The Singapore Kweks and Malaysia Quek remain bound together by common interests and heritage.

Straits Times

Kwek Hong Png

Kwek Hong Png, 76, the most dominant of the four founding brothers, runs this wealthy family's Singapore interests with son Kwek Leng Beng. His nephew Quek (the surname was misspelled by a midwife, but the change stuck) Leng Chan heads the Malaysian side.

Patriarch Hong Png emigrated from China's poverty-stricken Fujian Province in 1928, saved up his pennies and went into rubber trading and distribution, but the family always craved land, always buying, never selling. They acquired large parcels for as little as one or two cents per square foot. As Kwek Hong Png says in his recent autobiography "Where there is land, there is wealth, and wealth opens many avenues."

Eight arms of the enterprises in three countries are public companies. The family is apparently less gifted in politics than in business: Singapore's Monetary Authority steadfastly refuses to issue the Kweks a banking license, but they have set up financial institutions in such places as Hong Kong and London.

But property remains the old man's first love. At 76 he is working on his biggest deal ever—using his City Development to build Singapore's new Republic Plaza, which will be the tallest office building in the world outside the U.S.—**Joyce Quek**

Indonesia

LIEM SIOE LIONG
Nothing Lasts Forever

Indonesia's Liem, 72, reputed by some to be the wealthiest Chinese in all Asia, is worth about $2 billion. Inside Indonesia, he owns monopolies in cement, flour and cloves—a boon from his business partner, President Suharto. But Liem has been moving capital abroad, perhaps preparing for the day when his partner no longer rules the country.

Lincoln Potter/The Stock House

Liem Sioe Liong

His Bank of Central Asia, which caters to overseas Chinese clients worldwide, opened its second branch in New York last year. His First Pacific Co.—incorporated in Bermuda and listed in Hong Kong—distributes consumer products, pharmaceuticals and telecommunications equipment in Southeast Asia.

Australia

KERRY PACKER
Deals Wanted, Apply Down Under

The richest man in Australia—and one of the shrewdest—came through the crash relatively unscathed. Packer, 50, who inherited control of Australia's leading magazine publisher, Consolidated Press Holdings, from his father Sir Frank, scored a timing coup in January 1987 selling Consolidated's television network to fellow Australian Alan Bond for $750 million. If he tried to sell the stations today, he would almost certainly take less.

Now he's looking to reinvest some of the loot. This year he paid about $100 million for 4% of London-based Courtaulds Plc., the £2.1 billion (sales) manufacturer of chemicals, industrial products and textiles. Hardly makes a dent in his wallet.

But he won't overpay. He let himself be outbid for Colly Farms, one of Australia's biggest cotton concerns, and turned down several other big deals. It's bargains he wants.

Recently, for example, he dropped a joint bid along with New Zealand magnate Sir Ron Brierley to buy a piece of Robert Holmes à Court's faltering empire. In the U.S. Packer has a partnership with Australian-born, New York-based investment banker James Wolfensohn—to invest in U.S. properties.

ACP/World Press

Kerry Packer

He bides his time, but when he gets into something, it's not halfway. Since September he's bought 150 ponies and built five polo fields at his huge estate 150 miles north of Sydney—to which he travels in a new Sikorsky twin-engined helicopter. Observes a longtime friend, "Not too long ago, Kerry said to me, 'Why not enjoy myself? There's no dress rehearsal; this is it.' "—**Thomas Jaffe**

There are probably more reputed billionaires in the world than there are real ones. Saying that someone is a billionaire is one thing. But proving it is quite another.

A few who failed to make the cut

LAST YEAR we valued the **Alireza family** at more than $1 billion. But, on closer examination, the three branches of the "Arab Rothschilds" are quite separate. No single branch seems to have $1 billion in visible assets; one branch may be having financial problems.

Carlo De Benedetti, wiser from his experience with Société Générale, currently controls visible net assets that still fall short of $1 billion.

Serge Dassault's principal holding, just under 50% of Avions Marcel Dassault-Breguet Aviation, was hit hard by the October crash, and is lately worth under $1 billion.

Michel David-Weill, head of Lazard Frères, has a fortune of at least $700 million. It could be as high as a billion, but that is uncertain.

Fok Ying-tung, a.k.a. **Henry Fok** (rhymes with buck), is the junior partner with Stanley Ho in the Macao casino cartel. Ho is not clearly a billionaire, either.

In the face of Argentina's economic difficulties, **Amalia de Fortabat,** Argentina's cement queen, socialite and art collector, falls short of being a billionaire, with a fortune estimated around $750 million.

Sir James Goldsmith, the Anglo-French financier, certainly has over $1 billion in assets, but the level of debt within his private empire is unclear and possibly large.

Stanley Ho, chief of the Macao casino cartel, owns, with his family, the controlling interest; case not closed.

Robert Holmes à Court, possibly the world's briefest billionaire, saw his highly leveraged fortune cross the $1 billion mark (net) early last September. By the time the dust settled from the October crash, Holmes à Court was worth a fraction of that.

Simon Keswick and family are more influential than wealthy. He owns an equity stake estimated at less than 10% in Jardine Matheson, making him less than a billionaire.

Hong Kong's **Lee Shau-kee** had a billion last year, but his primary property company, Henderson Land, took a big hit in the October crash, reducing the market value of his shares to under $1 billion.

Stavros Niarchos, the Greek shipowner, has liquidated much of his fleet; his assets are doubtless large, but not largely visible. And secretive **Costas Lemos,** said by some to be the richest Greek shipowner of all, proved too clever at hiding his assets for us to include him. This year.

Ronald Li Fook-shiu, former chairman of the Hong Kong stock exchange, who is widely believed to have profited from bribes and insider knowledge during his tenure, is thought by some to be worth $2 billion. Pending the criminal investigation adjourned until August, far less than $1 billion is visible.

Harry Oppenheimer, the South African mining magnate, remains below the $1 billion level, largely because of the depressed South African rand.

The wealth of Egyptian construction magnate **Osman Ahmed Osman** has been estimated at as high as $1.5 billion. But these estimates seem to ignore the fact that the largest enterprise under his wing, giant Arab Contractors Co., was nationalized during the Nasser years and is legally owned by the Egyptian government. Its considerable worth, therefore, cannot be assigned to him.

The **Pesenti family** of Italy, with huge stakes in cement, forest products and steel through holding company Italmobiliare, is believed to be worth following for next year's billionaire edition.

Saudi Arabian entrepreneur **Ghaith Pharaon,** whose wealth last year was estimated at just under $1 billion, has renegotiated $340 million of debt on Redec, his largest Saudi operating company, but he had to give lenders a portion of the company.

Britain's **Gerald Ronson,** founder of construction conglomerate Heron International, who was arrested in the Guinness scandal, is estimated at $800 million. But he's still young.

Thomas Schmidheiny, brother of Stephan Schmidheiny *(see p. 100)*, was included as a billionaire last year, but since Swiss stocks are lower since last summer, his portion of the family fortune is now only about $850 million.

India's **Tata family,** who virtually founded Indian industry (India is now the tenth-largest industrial power in the world), long ago placed the bulk of their assets in charitable trusts. Their direct holdings in the immense Tata empire seem to be worth under $1 billion.

Germany's **Thyssen family,** long resident in Argentina, owns about 20% of steel giant Thyssen A.G., a holding once worth $1 billion, but lately valued at under that.

Holland's **Van Beuningen family** is enormously rich, but our documentation is not yet complete enough to include them on the list.

Princeton graduate **Gordon Wu** is reportedly investing $1 billion to construct a superhighway linking Hong Kong and Macao to China, the "New Jersey Turnpike of Asia." But not all of the $1 billion represents his family's equity stake in the highway. ■

RANKING THE FOREIGN BILLIONAIRES

Name/country/*source of wealth*	**Page**
OVER $10 BILLION	
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Tsutsumi, Yoshiaki/Japan/*transportation, hotels, leisure industry*	132
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Thomson, Kenneth Roy/Canada/*publishing, retailing*	131
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COMING SOON: The Forbes Four Hundred—the 400 richest people in the U.S. Dated Oct. 24, our seventh annual compilation of U.S. wealth will include biographies of the four dozen or so individual Americans who qualify as billionaires.

Science & Technology

seen its revenues increase about 150%, to more than $20 million annually, since it began shipping veneers worldwide in 1984; local dental labs have also done well.

After the veneers are mailed back to the dentist, the patient returns for a second visit to have them installed. Conventional caps are held in place by glue-like adhesive material. Sometimes metal "posts" are inserted into existing roots as an anchoring device. By contrast, the new veneers use acid-etching and composite resins to create both chemical and physical bonds simultaneously.

To prepare the teeth, the dentist carefully dabs on an ortho-phosphoric acid gel, thereby creating microporosities in the enamel. Similar holes are etched on the underside of the veneer itself using a stronger liquid, hydrofluoric acid. When the veneer is pressed against the tooth, the pores interlock with each other.

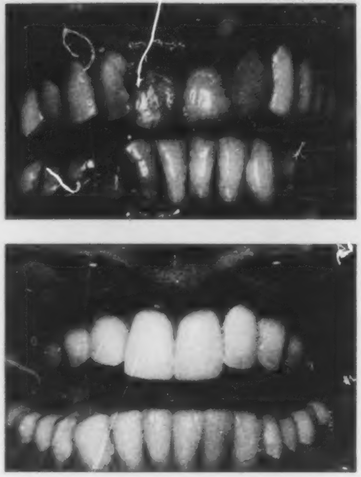
The physical bond is further strengthened by painting the teeth with a phosphate-based bonding resin that adheres naturally to dental enamel. The underside of the veneer, in turn, is treated with a composite resin and silane coupling agent. The resin and coupling agent not only bond to porcelain but adhere to the phosphate resins on the teeth.

Once the veneer has been pressed into place, the bond is "cured" using a high-intensity beam of light that is focused on to the surface of each veneer for half a minute or so. "The resulting seal is stronger than the bond between natural enamel and the underlying dentin," according to Dr. Gerald McLaughlin of Rocky Point, N.Y., who holds a patent on one of several methods for making porcelain veneers.

At $300 to $600 per tooth, the new technology is hardly cheap. Moreover, problems can occur if the veneer is placed under the gum line, creating infection-prone irritations at root level. Inexperienced dentists can also accidentally remove too much tooth enamel in the preparation process. Many dentists have been learning the procedure on the job.

Yet dentists who know what they're doing have nothing but praise for the new technology. Dr. John Calamia of New York University has placed more than 600 veneers since 1983. "These restored teeth are strong enough to use as you would your natural teeth," he says.

Dr. Larry Rosenthal, who heads the New York Group for Aesthetic and Restorative Dentistry, has done over 3,000 veneers since 1982 with "almost no failure." He tells his patients they can expect up to ten years out of the veneers. As for what you can eat, Rosenthal says, "Go for it."


Dr Larry Rosenthal

These dramatic before-and-after shots show how porcelain veneers can transform ugly teeth into a bright smile.

It's here, it's now

Factory automation has long been a key part of business investment in Japan, particularly in microelectronics. But it has lagged in the U.S. Now, quietly and without much notice, the long-delayed "factory of the future" has finally begun to make its appearance here. Items:

- Motorola, Inc. is now upgrading an already partially automated plant that produces cellular telephones in Arlington Heights, Ill. Motorola's conventional, nonautomated manufacturing plants require at least 300 to 400 workers to produce 1,000 units per week. But the Arlington Heights plant is already producing 3,700 units weekly with only 70 employees.
- Nabisco Brands is set to begin construction this August of a $600 million bakery in Garner, N.C. that will produce Oreo cookies—among other products—untouched by human hands. "Bakers" in this new facility will not wear white gowns and chefs' hats, but will sit in front of computer monitors overseeing ingredient mixes and production rates. The result will be better uniformity of product and reduced breakage compared with Nabisco's existing plants, the newest of which was opened back in 1973.
- General Motors has completed renovation and construction on an almost totally automated assembly and finishing plant in Doraville, Ga. that does everything from painting car bodies to installing and testing dashboard instruments. The new plant has robots that are equipped with vision systems to prepare metal joints, and electric robots that paint the cars completely. Conventional conveyor belt assembly systems prevent cars found with defects from being taken out of sequence, but the new plant uses a modular arrangement that permits a car to be routed again and again through the process until any problems have been corrected.

After years of stagnation, capital spending by manufacturers has finally rebounded, and a growing component in

Where the money goes

Japan has long been a leader in factory automation. But as these industrial sectors reveal, U.S. investment is now growing rapidly across the board as well.

	U.S. expenditures on factory automation		
Industry	1983 (mil)	1987 (mil)	1992 (mil)
Aerospace	$996	$1,241	$1,495
Automotive	3,386	5,739	7,722
Machinery	1,394	2,171	3,487
Electronics	1,295	2,171	4,982
Other manufacturing	598	931	2,242
Food & beverage	299	465	747
Chemical & petroleum	1,195	1,551	2,242
Other process industries	797	1,241	1,993
Total ($billions)	9.96	15.51	24.91

Source: Dataquest, Inc.

that spending is for factory automation. Since 1983 spending on automation has nearly doubled, to more than $17 billion for 1988. Where's the money going? Into everything from robots to whole computer-managed facilities built from the ground up.

Take the sheet metal plant that Boeing Co. is having built in Auburn, Wash. When fully operational in 1991, the plant, designed around a computerized system of self-steered vehicles, conveyor belts, monorails and bridge cranes, will cut the time required to make sheet metal parts from 40 days to four.

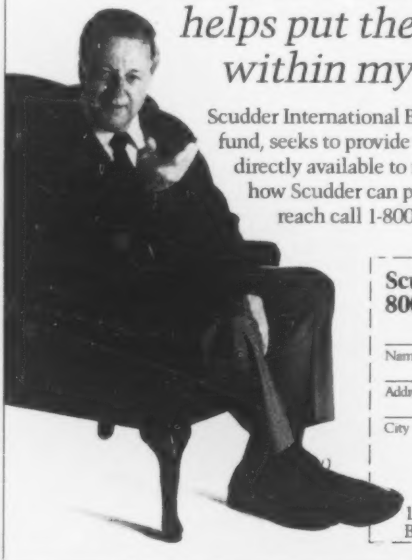
Nabisco Brands' Garner, N.C. bakery will automate every aspect of cookie production from order entry to final packaging and shipment and everything in between. Not enough flour in the Oreo wafers? A computer will then send a message to add more flour to the batter or to increase the baking time.

Suppliers of such products as industrial robots (GMF Robotics Corp.), computerized machine tools (Cincinnati Milacron) and computerized industrial design equipment (IBM) are benefiting from the boom in factory automation. So, too, are a number of engineering consulting companies including Combustion Engineering, Fluor Corp. and Bechtel.

Until recently these firms had been suffering from the decline in demand for Third World megaprojects like hydroelectric plants and petrochemical complexes. The automation of the American factory is giving them a new lease on life. Thus, the Austin Co., headquartered in Cleveland, a National Gypsum subsidiary involved in design and engineering work, expects contracts on highly automated "factories of the future" to account for 30% of its business by 1990, up from 15% in 1984.

Some of the problems that are dealt with by these firms are complex, demanding creation of whole new products. Austin teamed with Kalman Floor Co., for example, to create the Floor Crab, a self-propelled electronic device that measures the surface of industrial floors "Floor flatness is pretty mundane until you have an automated storage and retrieval system that's 60 feet tall," says William Welter, a vice president of Austin's consulting arm. Welter points out that a seemingly minuscule, ¼-inch variation in the height of the floor can make the upper reaches of a moving, 60-foot-tall storage and retrieval crane whip around like a wheat shaft in the wind.

—Ruth Simon with Neal Santelmann



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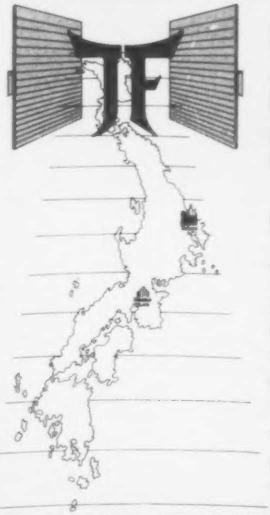

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The Forbes Foreign Rankings

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THE 100 CHEAPEST FOREIGN STOCKS

For investors who believe the U.S. stock markets hold no monopoly on inefficiency, we present Forbes' third annual listing of the 100 Cheapest Foreign Stocks. We have again compiled our list with the help of Mark Sladkus and his staff at Morgan Stanley Capital International Perspective. MSCIP currently follows 1,720 foreign and 480 U.S. companies. These 2,200 stocks are traded on 20 exchanges and have a market value of $6.3 trillion—about 80% of the aggregate market capitalization of those exchanges. (The market capitalization of all U.S. stocks as measured by the Wilshire index is $2.7 trillion.)

To make this year's cheap stock list, a company's latest 12-month P/E had to be no more than 75% of the P/E for the national index. And only shares selling at less than 1.5 times the national average price-to-book ratio were selected. We eliminated stocks with market values under $100 million. All figures have been converted to U.S. dollars at exchange rates on May 31. (Unless otherwise noted, the earnings and sales figures in this table come from Morgan Stanley Capital International. Because of differences in accounting standards, the same companies listed elsewhere in this issue may show different values. This is one of the challenges of international investing.) We have added earnings estimates for most companies, courtesy of New York brokerage Lynch, Jones & Ryan and its Institutional Brokers Estimate System international database.

The result is a smorgasbord ranging from Telefónica, Spain's largest phone company, to Korn-Og Foderstofkomp, a wholesale trade company based in Denmark. Both sell below book value and are expected to show higher earnings. The cheapest stock, with a P/E of 2, is Chase Corp., a New Zealand property developer that was clobbered in the October crash and still sells at 30% of book value and yields 15.1%. Chase has reported increased earnings and paid higher dividends for the last four years.

How did our list last year of cheap foreign stocks do? Not too badly, thank you. The biggest loser, down 51% in dollar terms, was Harmony, a South African gold and uranium miner. It appears again on the list below. The biggest winner, up 138%, was Hattori Seiko, Japan's watchmaker, now too expensive to make this year's list.

A portfolio holding each of last year's cheapest stocks was up 20% in dollar terms. The MSCIP World Index of 1,400 stocks dropped 2.6%, and the Dow industrials fell 11.4%. Maybe we're on to something here.

Company/industry	Country	Recent price	Earnings per share 1987	1988 est†	P/E	Yield	Price/book	Sales (mil)	Market value (mil)
Chase/real estate	New Zealand	$0.58	$0.29	$0.21	2.0	15.1%	0.3	NA	$175
Buffelsfontein/gold	South Africa	18.18	11.38	1.86	2.0	15.4	0.4	$258	200
EquitiCorp/multicompany	New Zealand	0.53	0.21	0.18	2.2	10.4	0.6	NA	198
Christiania Kreditkassen/banking	Norway	17.13	3.72	8.24	2.3	—	0.7	NA	225
Free State Cons (Steyn)/gold	South Africa	9.20	3.36	1.03	2.9	13.3	0.6	1,292	1,069
Credito Fondiario/banking	Italy	1.68	0.55	NA	3.1	8.4	0.4	NA	126
Carter Holt Harvey/multicompany	New Zealand	0.99	0.21	0.19	3.2	8.5	0.6	917	325
Bergen Bank/banking	Norway	19.69	5.02	7.55	3.3	11.4	0.6	NA	251
Libanon/gold	South Africa	2.76	0.74	0.27	3.8	13.7	0.8	110	110
IFI Priv/multicompany	Italy	11.15	2.86	2.57	3.9	1.5	0.8	NA	1,377
Aker Norcem/building materials	Norway	6.88	1.75	1.79	3.9	5.6	1.3	2,084	302
David Jones/retailing	Australia	7.35	1.66	0.94	4.4	3.9	1.0	837	803
PWA/airline	Canada	15.17	2.04	2.14	4.5	—	0.9	1,514	279
General Mining Union/gold	South Africa	16.57	3.54	NA	4.7	6.7	1.0	NA	1,370
Blyvooruitzicht/gold	South Africa	5.04	1.26	0.54	4.7	14.6	1.0	164	121
Harmony/gold	South Africa	7.13	3.22	0.70	4.8	13.5	0.5	386	192
Banque Natl Belgique/banking	Belgium	968.21	202.05	60.82	4.8	7.3	0.8	NA	387
Interbanca Priv/banking	Italy	6.95	1.67e	1.78	4.9	9.0	0.5	NA	111
Credito Italiano Ord/banking	Italy	0.80	0.12e	0.15	5.0	7.4	0.6	NA	1,274
Randfontein Estates/gold	South Africa	83.52	24.61	4.61	5.1	7.0	0.8	342	511

†Estimate provided by Institutional Brokers Estimate System (IBES), a division of Lynch, Jones & Ryan. ‡Source: Forbes. e: Estimate provided by IBES. NA: Not available.

Source: Morgan Stanley Capital International Perspective

[redacted]

Company/industry	Country	Recent price	Earnings per share 1987	Earnings per share 1988 est†	P/E	Yield	Price/ book	Sales (mil)	Market value (mil)
Pagurian A/financial services	Canada	$7.38	$1.46	$1.58	5.1	6.6%	1.2	NA	$372
Banco Lariano/banking	Italy	1.72	0.34	NA	5.1	9.1	0.8	NA	431
Gold Mines of Kalgoorlie/gold	Australia	1.17	0.23	0.06	5.3	19.3	0.7	NA	196
Saga Petroleum/energy	Norway	14.57	2.74	1.39	5.3	—	1.4	$140	388
Bond Corp/multicompany	Australia	1.67	0.20	0.28	5.4	5.3	1.3	2,002	707
Banca Commerciale/banking	Italy	1.53	NA	NA	5.7	10.8	0.5	NA	320
Bank of Nova Scotia/banking	Canada	10.11	1.76	2.18	5.7	6.1	1.0	4,781‡	1,828
KLM/airline	Netherlands	17.64	3.06	3.08	5.7	4.7	0.7	2,780	931
Breda (Finanziara E)/aerospace	Italy	3.09	0.58e	0.65	5.8	5.7	1.0	793§	145
Crédit Lyonnais/banking	France	87.07	14.59	15.57	6.0	5.6	0.8	15,203‡	515
National Bank of Canada/banking	Canada	7.48	1.50	1.69	6.0	6.9	0.7	NA	811
Ned Middenstandsbank/banking	Netherlands	76.91	12.56	11.15	6.1	6.1	0.6	NA	700
Volvo B Fria/automobile	Sweden	57.05	9.67	NA	6.3	3.1	1.3	15,476	1,358
Adelaide Steamship/multicompany	Australia	5.47	0.91	0.78	6.3	5.3	1.2	380	242
De Beers/misc materials	South Africa	11.28	1.76	NA	6.4	4.4	1.1	783	4,286
Orange Free State/gold	South Africa	20.71	3.60	NA	6.5	15.5	0.6	NA	466
Locafrance/financial services	France	67.45	8.34	9.31	6.5	8.0	0.8	NA	146
Internatio-Muller/trading company	Netherlands	26.43	4.03	4.50	6.6	5.5	0.6	1,262	125
Hollandsche Beton/construction	Netherlands	62.48	9.48	9.72	6.6	6.1	0.5	1,458	172
Royal Bank of Canada/banking	Canada	23.26	3.26	3.78	6.7	7.2	1.0	7,100‡	3,012
Volkswagen/automobile	Germany	145.54	20.02‡	20.17	6.8	6.2	0.8	30,397§	4,348
CIBA-GEIGY/chemicals	Switzerland	972.56	142.46	152.47	6.8	2.7	0.5	10,955	3,416
Bridge Oil/energy	Australia	0.76	0.11	0.10	6.8	—	1.2	43	119
Berliner Kraft & Licht/utility	Germany	73.87	6.95	NA	6.9	7.3	1.0	1,400	827
Suez (Cie Financière)/banking	France	44.22	5.47	5.32	6.9	3.5	NA	9,064‡	2,810
SIP Ord/telecommunications	Italy	1.58	0.17	0.19	7.0	6.9	0.3	9,497	2,750
Saab-Scania A Fria/machinery	Sweden	35.80	5.07	7.15	7.1	3.2	1.5	6,927	540
Sovac-Credit Mobilier/finl services	France	123.72	17.85e	18.70	7.1	5.2	1.0	NA	495
STET Ord/telecommunications	Italy	2.22	0.27	0.31	7.1	6.3	0.6	11,260§	2,793
Rolls-Royce/aerospace	UK	2.21	0.31	0.35	7.2	5.9	1.2	3,792	1,776
News Corp/broadcasting & pub	Australia	9.25	1.01	1.15	7.3	0.7	0.9	4,277	2,495
Saint-Gobain/misc materials	France	79.17	10.75	NA	7.3	3.4	1.2	13,231	3,496
Société Natl Elf Aquitaine/energy	France	53.17	7.22	6.50	7.4	7.3	0.6	21,851	5,194
Industrial Equity/multicompany	Australia	1.50	0.25	0.18	7.4	5.4	1.1	1,270	1,184
Meta (Iniziativa)/multicompany	Italy	2.58	0.35	NA	7.4	8.2	0.5	2,420	1,281
Dominion Textile/textiles, apparel	Canada	13.45	1.20	1.76	7.5	3.6	0.9	844	301
T&N/industrial equipment	UK	3.15	0.37	0.48	7.6	6.8	1.1	1,770	812
J Rothschild Holdings/multicompany	UK	2.91	0.37	0.40	7.6	5.2	0.9	NA	949
Rhône Poulenc/trading	France	64.36	8.40	9.70	7.7	5.9	1.2	9,663	3,112
Elders IXL/trading company	Australia	2.51	0.30	0.32	7.7	6.3	1.1	8,489	3,519

†Estimate provided by Institutional Brokers Estimate System (IBES), a division of Lynch, Jones & Ryan. ‡Source: Forbes. §1986 result. e: Estimate provided by IBES. NA: Not available.

Source: Morgan Stanley Capital International Perspective.

The 100 cheapest foreign stocks

Company/industry	Country	Recent price	Earnings per share		P/E	Yield	Price/ book	Sales (mil)	Market value (mil)
			1987	1988 est†					
Hang Lung Development/real estate	Hong Kong	$0.64	$0.07	$0.08	7.7	5.4%	1.3	NA	$732
Dyno/chemicals	Norway	11.05	1.42	1.80	7.8	4.6	1.2	$698	206
Saatchi & Saatchi/advertising	UK	6.76	0.82	0.89	7.8	5.7	9.7	7,282	1,054
ANZ Group Holdings/banking	Australia	3.94	0.44	0.53	7.8	4.8	1.1	6,519§	2,761
Lucas Inds/industrial equipment	UK	9.53	1.14	1.26	7.8	5.1	1.3	3,077	1,715
Allied Irish Bank/banking	UK	4.27	0.48	0.50	7.9	6.0	1.1	NA	912
Pilkington/misc materials	UK	3.57	0.45	0.48	8.0	5.3	1.3	3,873	2,687
Beazer/construction	UK	3.07	0.31	0.42	8.0	4.7	1.2	1,902	852
Eridania Ord/food processing	Italy	2.54	0.59	0.83	8.1	5.2	1.0	2,423§	430
Domtar/paper & forest prods	Canada	10.72	1.40	1.54	8.1	3.8	1.1	2,078	923
Bank of Scotland/banking	UK	9.85	1.06	1.23	8.2	4.7	1.0	NA	1,227
Italmobiliare/multicompany	Italy	71.99	8.65	8.72	8.3	0.6	0.9	NA	490
Royal Bank of Scotland/banking	UK	6.17	0.83	1.14	8.4	5.4	0.9	2,896‡	1,769
National Australia Bank/banking	Australia	4.99	0.44	0.50	8.4	4.4	1.3	4,109‡	2,961
Den Danske Bank Af 1871/banking	Denmark	52.82	6.10	6.46	8.6	4.6	0.7	NA	963
Bekaert/industrial equipment	Belgium	270.91	34.14	34.55	8.6	4.5	1.3	1,150	608
Union Bank C Free/banking	Finland	8.52	0.99	0.98	8.6	4.0	1.2	NA	2,412
Andelsbanken/banking	Denmark	51.61	5.95	5.03	8.7	4.4	0.8	NA	342
Banque Bruxelles Lambert/banking	Belgium	73.26	8.38	9.84	8.7	8.2	1.1	3,903§	879
Rio Algom/misc materials	Canada	16.58	1.72	2.00	8.7	3.2	1.2	1,240	725
Canadian Imperial Bank/banking	Canada	17.09	1.96	2.75	8.7	5.5	0.9	5,994‡	2,754
Blue Circle Inds/building materials	UK	7.64	0.87	0.96	8.7	4.9	1.2	1,971	1,985
Power Corp of Canada/multicompany	Canada	10.11	1.12	1.29	8.7	4.8	1.0	NA	1,159
Coal & Allied Inds/energy	Australia	3.54	0.40	0.15	8.8	4.5	0.8	391	112
Novo Industri/health care	Denmark	28.36	2.86	2.99	9.2	2.2	0.9	749	723
Enso-Gutzeit A Free/paper & forest prods	Finland	9.70	1.23	1.60	9.5	2.5	1.2	1,751§	1,103
Kansallis-Osake/banking	Finland	13.38	1.39	1.52	9.6	4.4	1.1	NA	1,940
Danske Sukkerfabrikker/food proc	Denmark	56.25	5.49	4.22	10.3	3.4	1.0	1,054	381
Union Electrica-Fenosa/utility	Spain	0.81	0.06e	0.07	10.5	7.8	0.4	1,553§	1,014
United Paper Ord/paper & forest prods	Finland	39.78	3.73	4.67	10.7	1.5	1.2	1,280	1,144
Baltica Holding/insurance	Denmark	76.23	8.15	7.35	11.0	1.4	0.7	NA	485
Korn-Og Foderstofkomp/trading company	Denmark	221.05	19.21	22.48	11.5	1.7	0.9	928	179
Telefónica/telecommunications	Spain	1.55	0.11	0.15	12.1	6.2	0.7	4,748	6,456
Iberduero/utility	Spain	1.17	0.10	0.10	12.8	6.4	0.5	1,790§	2,498
United Overseas Bank/banking	Singapore	2.26	0.16	0.17	13.9	2.3	1.3	NA	956
Fuji Heavy Industries/automobile	Japan	5.34	0.34	0.13	15.9	1.2	1.5	5,822	2,170
Cycle & Carriage/automobile	Singapore	1.24	0.06	0.07	17.6	2.4	1.1	113	155
Hokuriku Electric Power/utility	Japan	17.99	0.83	0.66	21.6	2.2	0.8	2,831	3,615
Hitachi Maxell/recreation	Japan	17.19	0.78	0.64	21.9	0.8	1.5	1,415	1,700
Nissan Motor/automobile	Japan	7.32	0.07	0.16	32.6	1.5	1.5	34,170	16,836

†Estimate provided by Institutional Brokers Estimate System (IBES), a division of Lynch, Jones & Ryan. ‡Source: FORBES. §1986 result. e: Estimate provided by IBES. NA: Not available.

Source: Morgan Stanley Capital International Perspective.

The 500 LARGEST FOREIGN COMPANIES

The world of international business continued expanding last year. The total revenues of the international Forbes 500 rose $890 billion, or 24%, to a record $4.5 trillion.

Yes, the weak U.S. dollar accounted for a substantial part of the handsome gain, but by no means all of it. Around most of the industrial West, business was good. Politics was, by and large, stable. Managers worked at improving quality and reducing cost. Although revenues climbed, the aggregate number of employees actually declined, from 24.1 million in 1986 to 24 million last year. Several large employers fell off the list and were replaced by firms with fewer workers and more revenues.

The Japanese muscled their way onto this year's list in a major way. In all, 14 of the 25 largest companies were Japanese, including the top 5. This reflects the strong yen. But it also reflects these companies' worldwide scope, and the fact that many of their biggest operations are concentrated in the rapidly growing Far East.

Mitsubishi Corp., the giant Japanese trading company, with total sales of $96.6 billion, is the top-ranked foreign firm this year. It posted a 22% increase in dollar-denominated revenue. Even when measured in yen, however, Mitsubishi's sales rose 5%, an impressive showing. (For exchange rates FORBES uses a 12-month average rate as of a company's fiscal year-end date.)

Ten Japanese companies climbed into the ranks of the world's largest firms, helping to displace U.K., French, Canadian and German companies in the process. Including the net gain of these ten firms, sales of the 154 Japanese companies among the International Forbes 500 rose $431 billion, or 31%, to $1.81 trillion.

Continuing weakness in oil prices explains some of the shifting positions in this year's list. Sixth-ranked Royal Dutch/Shell Group, with revenues of $78.3 billion and the biggest nontrading firm, was fifth-ranked last year. McDermott International sold assets and discontinued operations, and reported revenues down nearly 30%. Kuwait Petroleum was hurt by both limp oil prices and the Persian Gulf conflict. It slipped in rank from 50 to 113.

When you look at a list like this, the fact that the U.S. economy is shrinking in relation to other economies comes into particularly sharp focus. Compare, for example, the 500 largest U.S. companies with the 500 largest foreign companies. The combined revenues of the foreign 500 are nearly 61% higher than the $2.8 trillion for the Forbes Sales 500 *(Apr. 25, 1988)*.

Or look at individual companies. A list of the world's largest companies would show General Motors, with revenues of $101.8 billion, ahead of Mitsubishi Corp. But $76.4 billion (revenues) Exxon, which places second among U.S. companies, would place eighth on a combined world list. The only other U.S. company to qualify within the top ten would be Ford Motor, in tenth place.

Our table below includes market value. Here again the Japanese dazzle. They have to. Not only is their cur-

The 25 largest companies outside the U.S.

Rank	Company/country	Industry	Revenue (mil)
1	**Mitsubishi Corp**/Japan	trading	$96,606
2	**C Itoh & Co Ltd**/Japan	trading	92,356
3	**Mitsui & Co Ltd**/Japan	trading	88,640
4	**Marubeni Corp**/Japan	trading	82,871
5	**Sumitomo Corp**/Japan	trading	81,709
6	**Royal Dutch/Shell Group**/Netherlands/UK	oil and gas	78,306
7	**Nissho Iwai Corp**/Japan	trading	75,441
8	**British Petroleum Co Plc**/UK	oil and gas	45,198
9	**Toyota Motor Corp**/Japan	automotive	43,637
10	**IRI Group**/Italy	multicompany	41,287
11	**Nippon Telegraph & Telephone Corp**/Japan	communications	40,926
12	**Nippon Life Insurance Co**/Japan	insurance	37,704
13	**Daimler-Benz Group**/Germany	automotive	37,541
14	**Hitachi Ltd**/Japan	multicompany	35,961
15	**Matsushita Electric Industrial Co**/Japan	consumer electronics	34,833
16	**Nissan Motor Co Ltd**/Japan	automotive	30,675
17	**Volkswagen Group**/Germany	automotive	30,397
18	**Fiat Group**/Italy	automotive	29,655
19	**Deutsche Bundespost**/Germany	communications	28,959
20	**Toyo Menka Kaisha Ltd**/Japan	trading	27,631
21	**Siemens Group**/Germany	electrical equipment	27,461
22	**Unilever**/Netherlands/UK	food processing	27,124
23	**PTT-Postes et Télécommunications**/France	communications	26,037
24	**Philips Group**/Netherlands	electrical equipment	26,023
25	**Toshiba Corp**/Japan	multicompany	25,822

rency strong, but their stock market sells at the highest price/earnings multiple in the world: 52.7 times.

So it is that Nippon Telegraph & Telephone, with a market capitalization of $277.6 billion (which includes Japanese government-held shares), has by far the world's largest market value. At year-end 1987 stock prices, IBM's capitalization is only $69 billion by comparison. Among foreign companies, Toyota has the 11th-largest market capitalization, $39.7 billion. Its net income of $1.7 billion on $43.6 billion in sales gives Toyota a year-end price/earnings ratio of 23.3. By contrast, Ford Motor's revenues are $73.1 billion, and its market capitalization is only $18.6 billion, 53% lower than Toyota's. Yet Ford, which had a P/E of 4, earned $4.6 billion in 1987, or 170% more than Toyota. Safe conclusion: Either Japanese stocks are overpriced, or American stocks are underpriced.

Other Asian nations are creeping up. The Koreans are leaping up. Korea's rapidly growing Hyundai Motor, with revenues of almost $4 billion, joins the foreign 500 for the first time with a rank of 382.

How are the Europeans doing? Not too badly. German retailer Asko Deutsche Kaufhaus made the list for the first time this year (at number 283), with $5.2 billion in revenues. Another newcomer, Hillsdown Holdings Plc., posted a 78% gain in revenues in 1987 by acquiring more than 50 new businesses. Dee Corp. Plc., a diversified U.K. supermarket chain, shot up in rank with its mid-1986 purchases of Herman's Sporting Goods from W.R. Grace and Fine Fare, a subsidiary of Associated British Foods.

In European countries such as France, Italy and Germany, many large enterprises are either government-owned or cooperatives. Governments have been waking up to the fact that they cannot and should not compete in the private sector. Other companys are following British Telecommunications, British Airways and even America's Conrail with public offerings.

This survey lists 150 businesses that are presently not publicly traded. The largest is IRI Group, the giant state-owned Italian multicompany that is in banking, steel and telecommunications. It has revenues of $41.3 billion and keeps 422,000 people gainfully employed.

All told, 30 countries are represented on the following list. Japan leads with 154 entries, followed by the U.K. with 68 and West Germany with 61. To facilitate comparisons, all firms are grouped into one of 34 industry groups and listed in descending order by total revenues. Beginning on page 232 is an alphabetical index of all 500 companies. It shows where each one can be found in the main table.

Rank 1987	Rank 1986	Company	Country	Fiscal year-end	Revenue[1] (mil)	Net income (mil)	Assets (mil)	Market value of common[2] (mil)	Employees (thou)
		AEROSPACE AND DEFENSE							
149	**128**	**General Electric Co Plc**	UK	Mar	$7,830	$649	$8,866	$7,990	159.6
191	**244**	**British Aerospace Plc**	UK	Dec	6,679	–180	7,958	1,537	86.8
276	**222**	**Aérospatiale Group**	France	Dec	5,218	23	9,546	none[3]	38.0
450	**466**	**MBB-Messerschmitt-Bolkow-Blohm GmbH**	Germany	Dec	3,392	3P	3,315[4]	none[3]	38.5
452	**461**	**Rolls-Royce Plc**	UK	Dec	3,375	220	2,890	1,785	42.0
		AUTOMOTIVE							
9	**10**	**Toyota Motor Corp**	Japan	June	43,637	1,704	33,135	39,720	84.2
13	**13**	**Daimler-Benz Group**	Germany	Dec	37,541	994	29,401	15,547	326.3
16	**26**	**Nissan Motor Co Ltd**	Japan	Mar	30,675	466	33,283	13,113	108.7
17	**17**	**Volkswagen Group**	Germany	Dec	30,397	333	27,860	3,414	260.5
18	**30**	**Fiat Group**	Italy	Dec	29,655	1,831	40,406	9,864	270.6
26	**33**	**Renault Group**	France	Dec	24,541	614	18,981	none[3]	188.9
33	**36**	**Honda Motor Co Ltd**	Japan	Mar	22,472	725	14,233	9,824	58.3
43	**43**	**Peugeot Groupe SA**	France	Dec	19,659	819	14,430	4,205	160.6
66	**64**	**Volvo Group[5]**	Sweden	Dec	14,592	731	13,631	3,537	72.5
71	**83**	**Robert Bosch Group**	Germany	Dec	14,112	459	11,496	none[3]	161.3
92	**85**	**Mazda Motor Corp**	Japan	Oct	11,295	30	7,877	3,065	28.3[6]
104	**109**	**BMW-Bayerische Motoren Werke**	Germany	Dec	10,827	209[6]	6,528[6]	4,306	62.8
151	**143**	**Michelin Group**	France	Dec	7,809	405	10,474	2,401	117.0
170	**165**	**Nippondenso Co Ltd**	Japan	Dec	7,240	218	7,248	8,714	45.6
200	**213**	**Saab-Scania Group**	Sweden	Dec	6,530	282[7]	6,317	1,743	49.6

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				AUTOMOTIVE					
222	177	**Isuzu Motors Ltd[6]**	Japan	Oct	$6,077	$63	$4,876	$2,735	13.8
231	212	**Asahi Glass Co Ltd**	Japan	Dec	5,963	241	7,549	15,610	9.6[6]
249	232	**Bridgestone Corp**	Japan	Dec	5,672	249	6,935	6,066	34.0
252	231	**Pirelli Group**	Switzerland/Italy	Dec	5,615	175	6,045	2,169[8]	66.3
267	315	**Suzuki Motor Co Ltd**	Japan	Mar	5,439	60	3,389	1,453	13.4[6]
291	341	**Rover Group Plc**	UK	Dec	5,010	–44	3,266	7,651	46.4
328	336	**Fuji Heavy Industries Ltd**	Japan	Mar	4,553	100	3,786	1,589	14.5[6]
363	393	**Kubota Ltd**	Japan	Apr	4,114	79	5,057	6,056	16.0[6]
371	417	**Daihatsu Motor Co Ltd**	Japan	June	4,048	27	2,704	1,387	18.8
382	■	**Hyundai Motor Co**	Korea	Dec	3,972	113	2,888	750	29.8
487	402	**GKN Plc**	UK	Dec	3,115	101	2,830	1,283	39.4
499	549	**Aisin Seiki Co Ltd**	Japan	Mar	3,050	68	2,166	2,229	9.5[6]
				BANKING					
45	164	**Banco do Brasil**	Brazil	Dec	18,611	1,089	75,708	476	128.5
51	247	**BRADESCO Group**	Brazil	Dec	16,029	389[9]	13,630[9]	956	147.9
53	56	**Banque Nationale de Paris Group**	France	Dec	15,823	472	182,675	none[3]	58.6
59	63	**Société Générale Group**	France	Dec	15,244	395	153,022	none[3]	44.0
60	65	**Crédit Lyonnais Group**	France	Dec	15,203	370	168,344	none[3]	58.2
61	61	**Barclays Plc**	UK	Dec	15,158	303	164,292	6,236	113.0
65	55	**National Westminster Bank Plc**	UK	Dec	14,611	724	162,871	8,119	102.0
73	80	**Crédit Agricole**	France	Dec	13,959[6]	359	214,382	none[3]	73.9
77	88	**Dai-Ichi Kangyo Bank Ltd**	Japan	Mar	13,151	592	289,622	57,817	19.3[6]
80	95	**Sumitomo Bank Ltd**	Japan	Mar	13,022	332	271,293	60,955	16.6[6]
86	96	**Fuji Bank Ltd**	Japan	Mar	12,262	517	264,242	57,972	14.8[6]
89	94	**Deutsche Bank Group**	Germany	Dec	11,494	366	169,675	8,676	54.6
90	108	**Mitsubishi Bank Ltd**	Japan	Mar	11,431	600	246,426	50,708	14.1[6]
99	97	**Paribas Group**	France	Dec	11,014	287	122,275	3,278	27.5
100	111	**Sanwa Bank Ltd**	Japan	Mar	10,992	524	239,171	46,304	15.0[6]
106	117	**Industrial Bank of Japan Ltd**	Japan	Mar	10,640	351	205,143	47,600	5.3[6]
112	103	**Lloyds Bank Group**	UK	Dec	10,222	–372	84,049	3,693	76.2
115	133	**Norinchukin Bank[6]**	Japan	Mar	9,993	140	186,117	none[3]	3.2
117	89	**Midland Group**	UK	Dec	9,884	–644	90,674	3,939	58.8
119	510	**BANESPA Group**	Brazil	Dec	9,767	285[9]	9,186[9]	49	32.2
120	114	**Bank of Tokyo Ltd**	Japan	Mar	9,721	342	183,507	18,397	13.6[6]
125	167	**Suez Group**	France	Dec	9,064	355	64,389	none[3]	18.7
132	187	**Banca Nazionale del Lavoro**	Italy	Dec	8,621	205	92,397	none[3]	28.6
135	389	**Banco Central Group**	Spain	Dec	8,394	348	85,938	4,242	24.1
141	138	**Dresdner Bank**	Germany	Dec	8,172	250	130,849	3,865	38.1
145	176	**Long-Term Credit Bank of Japan Ltd[6]**	Japan	Mar	7,933	263	142,560	28,672	3.3
146	172	**Tokai Bank Ltd**	Japan	Mar	7,909	282	170,096	28,511	12.8[6]
148	397	**Banco Itaú Group**	Brazil	Dec	7,847	231[9]	8,783[9]	167	80.4

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		BANKING							
154	189	**Mitsui Bank Ltd[6]**	Japan	Mar	$7,772	$317	$163,982	$29,194	10.3
176	134	**Royal Bank of Canada**	Canada	Oct	7,100	–193	77,643	2,565	42.8
185	188	**Union Bank of Switzerland**	Switzerland	Dec	6,843	505	125,521	9,269	20.9
207	192	**Westdeutsche Landesbank Group**	Germany	Dec	6,349	56	96,430	none[3]	7.4
208	238	**Taiyo Kobe Bank Ltd[6]**	Japan	Mar	6,346	195	138,936	14,589	13.6
209	210	**Commerzbank**	Germany	Dec	6,286	234	102,265	2,801	26.6
218	197	**Westpac Banking Group**	Australia	Sept	6,140	184	50,598	1,997	44.9
220	219	**Bayerische Vereinsbank Group**	Germany	Dec	6,080	122	94,613	2,162	14.3
223	503	**Banco Bilbao-Vizcaya**	Spain	Dec	6,044	575	56,884	5,793	33.0
226	180	**Canadian Imperial Bank of Commerce**	Canada	Oct	5,994	–47	67,159	2,410	33.9
227	163	**Bank of Montreal**	Canada	Oct	5,994	–263	64,008	2,100	34.4
230	233	**Swiss Bank Corp**	Switzerland	Dec	5,983	437	114,390	8,736	16.8
232	196	**Sanpaolo Group**	Italy	Dec	5,951	436	73,477	none[3]	18.2
235	323	**Sumitomo Trust & Banking Co Ltd[6]**	Japan	Mar	5,908	364	144,623	21,625	6.2
242	319	**Mitsubishi Trust & Banking Corp[6]**	Japan	Mar	5,745	376	155,809	21,521	6.2
243	566	**Unibanco Group**	Brazil	Dec	5,743	73[9]	4,106[9]	20	26.5
248	218	**Bancomer**	Mexico	Dec	5,683	224	9,101	none[3]	33.4
253	190	**CARIPLO Group**	Italy	Dec	5,598	185	64,502	none[3]	14.3
257	255	**Australia & New Zealand Banking Group**	Australia	Sept	5,552	274	46,984	1,961	41.2
259	205	**Generale Bank Group**	Belgium	Dec	5,540	172	65,609	1,561	31.9
271	281	**CIC-Crédit Industriel et Commercial**	France	Dec	5,371	102	62,869	824	27.0
278	253	**Banamex-Banco Nacional de México**	Mexico	Dec	5,199	251	10,499	none[3]	28.9
279	199	**Nippon Credit Bank Ltd**	Japan	Mar	5,197	138	92,321	10,032	2.1
281	250	**Monte dei Paschi di Siena Banking Group**	Italy	Dec	5,182	244	62,467	none[3]	16.7
287	286	**Bayerische Hypotheken-und Wechsel-Bank**	Germany	Dec	5,120	135	79,851	3,133	13.2
290	257	**Bank Hapoalim BM**	Israel	Dec	5,043	191	30,111	2,213	7.8[6]
296	276	**Bank of China**	China	Dec	4,921	1,041	81,434	none[3]	44.0
308	262	**Bank of Nova Scotia**	Canada	Oct	4,781	–233	54,282	1,658	26.2
317	373	**Mitsui Trust & Banking Co Ltd**	Japan	Mar	4,656	273	130,485[6]	15,491	5.7[6]
319	335	**Crédit Suisse**	Switzerland	Dec	4,623	369	83,912	7,032	15.0
323	399	**Shoko Chukin Bank**	Japan	Mar	4,595	45	92,244	none[3]	6.3
330	274	**Standard Chartered Group**	UK	Dec	4,545	–664	55,646	1,355	33.4
339	499	**Banco de la Nación Argentina**	Argentina	Dec	4,440	315	10,465	none[3]	18.9
345	385	**Crédit Commercial de France Group**	France	Dec	4,353	72	38,309	832	12.3
346	443	**Yasuda Trust & Banking Co Ltd**	Japan	Mar	4,347	203	117,641	11,639	5.1
347	578	**Bamerindus Group**	Brazil	Dec	4,334	40[9]	6,484[9]	none[3]	38.3
350	355	**DG Bank Group**	Germany	Dec	4,286	96	80,567	none[3]	4.7
353	359	**Skandinaviska Enskilda Bank Group**	Sweden	Dec	4,244	328[7]	39,960	2,686	9.1
358	403	**Kyowa Bank Ltd[6]**	Japan	Mar	4,159	169	87,169	10,020	8.7
362	350	**Banco di Napoli**	Italy	Dec	4,114	48	59,267	none[3]	13.6
364	321	**National Australia Bank Group**	Australia	Sept	4,109	221	33,791	1,848	24.3

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		BANKING							
369	346	**Bayerische Landesbank Girozentrale**	Germany	Dec	$4,055	$82	$83,036	none[3]	4.3
379	326	**Daiwa Bank Ltd[6]**	Japan	Mar	3,999	169	118,018	$13,089	9.1
393	308	**Toronto-Dominion Bank**	Canada	Oct	3,842	40	41,436	3,204	21.7
411	572	**Banco de la Provincia de Buenos Aires**	Argentina	Dec	3,662	145	5,147	none[3]	14.8
413	409	**Bank Bruxelles Lambert**	Belgium	Sept	3,634	93	43,728	765	15.8
417	352	**Commonwealth Banking Corp Group**	Australia	June	3,618	131	31,612	none[3]	38.2
421	421	**Norddeutsche Landesbank Group**	Germany	Dec	3,583	34	64,539	none[3]	6.2
425	453	**Saitama Bank Ltd[6]**	Japan	Mar	3,554	139	74,515	8,912	8.2
438	396	**Bank Leumi le-Israel BM**	Israel	Dec	3,508	250	25,519	1,998	12.6
439	400	**State Bank of India Group**	India	Dec	3,493	43	40,857	none[3]	284.9
440	445	**ASLK-CGER**	Belgium	Dec	3,476	79	41,310	none[3]	8.9
442	381	**Nacional Financiera SNC**	Mexico	Dec	3,446	34	17,118	none[3]	3.7
443	428	**Crédit Communal de Belgique**	Belgium	Dec	3,444	34	44,992	none[3]	3.5
444	489	**Japan Development Bank**	Japan	Mar	3,441	146	54,388	none[3]	1.1
449	517	**Hokkaido Takushoku Bank Ltd[6]**	Japan	Mar	3,392	86	61,946	5,384	6.7
479	376	**Kredietbank NV**	Belgium	Mar	3,174	126	39,157	1,153	11.0
481	553	**Bank of Yokohama Ltd**	Japan	Mar	3,167	100	63,780	8,502	6.8[6]
482	444	**PKbanken Group**	Sweden	Dec	3,155	208[7]	31,027	1,190	4.7
485	496	**Banco Hispano Americano Grupo**	Spain	Dec	3,127	23	30,866	2,363	20.4
494	456	**Banco di Sicilia**	Italy	Dec	3,080	20	30,046	none[3]	9.8
		BEVERAGES							
219	246	**Allied-Lyons Plc**	UK	Mar	6,108	499	8,113	4,714	78.1
337	328	**Kirin Brewery Co Ltd**	Japan	Jan	4,443	249	6,801	14,044	7.6[6]
374	392	**Bass Plc**	UK	Sept	4,026	408	5,987	5,162	79.3
468	487	**Suntory Ltd**	Japan	Mar	3,246	119	4,872	none[3]	4.7
		BUILDING PRODUCTS							
79	70	**Saint-Gobain**	France	Dec	13,124	420	14,869	3,436	131.0
381	380	**Pilkington Plc**	UK	Mar	3,972	298	3,352	3,038	56.7
474	495	**Lafarge Coppée**	France	Dec	3,213	255	3,984	2,725	20.1
		CHEMICALS AND DRUGS							
34	29	**BASF Group**	Germany	Dec	22,387	585	18,837	8,946	130.7
41	34	**Bayer Group**	Germany	Dec	20,665	833	20,331	10,372	164.3
42	37	**Hoechst Group**	Germany	Dec	20,561	767	18,293	8,880	167.8
46	44	**Imperial Chemical Industries Plc**	UK	Dec	18,230	1,246	16,445	13,689	127.8
105	102	**Montedison Group**	Italy	Dec	10,641	316	19,016	2,218	66.8
108	99	**CIBA-GEIGY Group**	Switzerland	Dec	10,571	613	17,338[9]	6,507	86.1
123	121	**Rhône-Poulenc Group**	France	Dec	9,343	393	11,249	none[3]	82.5
156	152	**Akzo Group**	Netherlands	Dec	7,669	465	6,646	1,948	69.5
173	158	**Mitsubishi Kasei Corp**	Japan	Jan	7,156	173	10,068	9,652	8.8[6]
224	239	**Sandoz Group**	Switzerland	Dec	6,021	420	7,467	6,177	44.0

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		CHEMICALS AND DRUGS							
229	226	**Solvay Group**	Belgium	Dec	$5,989	$287	$5,991	$2,229	45.0
251	243	**Asahi Chemical Industry Co Ltd**	Japan	Mar	5,659	131	6,120	9,363	22.0
255	268	**Sumitomo Chemical Co Ltd**	Japan	Dec	5,576	114	7,371	10,066	12.3
274	297	**Formosa Plastics Group**	Taiwan	Dec	5,271	NA	5,258	none[3]	44.2
284	269	**Roche/Sapac Group**	Switzerland	Dec	5,167	323	10,737	6,583	47.5
286	293	**Henkel Group**	Germany	Dec	5,150	151	4,286	none[3]	34.2
329	129	**NV DSM**	Netherlands	Dec	4,550	218	4,515	none[3]	27.9
360	351	**Courtaulds Plc**	UK	Mar	4,123	244	3,047	2,418	68.5
397	422	**Showa Denko KK**	Japan	Dec	3,778	–14	5,486	4,808	5.0[6]
423	488	**Takeda Chemical Industries Ltd**	Japan	Mar	3,575	178	5,239	18,518	13.6
454	410	**CDF Chimie**	France	Dec	3,373	163	2,862	none[3]	16.6
483	458	**Ube Industries Ltd**	Japan	Mar	3,153	–32	5,327	2,459	7.5[6]
		COMMODITIES							
304	47	**S&W Berisford Plc**	UK	Sept	4,853	100	2,971	1,062	9.9
332	142	**Ferruzzi Group**	Italy	Dec	4,538E	449	9,284	none[3]	26.0
388	427	**Groupe Sucres et Denrées**	France	Dec	3,871	12	1,442	none[3]	5.5
394	299	**Alfred C Toepfer Internationale Gruppe**	Germany	Nov	3,831	NA	NA	none[3]	0.7
		COMMUNICATIONS							
11	9	**Nippon Telegraph & Telephone Corp**	Japan	Mar	40,926	1,758	87,143	277,562	291.0
19	19	**Deutsche Bundespost**	Germany	Dec	28,959	1,504	102,630	none[3]	489.3
23	15	**PTT-Postes et Télécommunications**	France	Dec	26,037	NA	NA	none[3]	466.9
48	48	**British Telecommunications Plc**	UK	Mar	17,342	2,477	31,058	24,866	237.2
97	82	**BCE Inc**	Canada	Dec	11,048	820	20,022	7,796	117.0
214	217	**Schweizerische PTT**	Switzerland	Dec	6,164	327	16,379	none[3]	58.9
277	292	**Netherlands PTT**	Netherlands	Dec	5,201	1,062	12,169	none[3]	94.6
280	261	**British Post Office**	UK	Mar	5,183	236	7,368[9]	none[3]	188.7
289	265	**Telefonaktiebolaget LM Ericsson**	Sweden	Dec	5,110	104[5]	5,691	1,092	67.2
343	354	**Telefónica**	Spain	Dec	4,379	431	19,694	6,097	63.3
455	440	**STC Group Plc**	UK	Dec	3,358	222[7]	2,536	2,371	34.3
470	469	**Swedish Telecom Group**	Sweden	Dec	3,242	89	7,987	none[3]	49.4
480	494	**Österreichische PTT**	Austria	Dec	3,172	333	8,346	none[3]	57.2
		CONSTRUCTION							
155	146	**Kajima Corp**	Japan	Nov	7,749	96	11,227	9,007	15.0
164	195	**Taisei Corp**	Japan	Mar	7,363	60	8,969	6,089	12.0
183	174	**Bouygues Group**	France	Dec	6,883	81	7,969	926	60.5
199	230	**Shimizu Construction Co Ltd**	Japan	Mar	6,548	58	7,760	4,747	10.2[6]
205	245	**Takenaka Corp**	Japan	Dec	6,394	39	9,006	none[3]	11.1
268	223	**Kumagai Gumi Co Ltd**	Japan	Sept	5,432	80	8,888	3,545	8.0[6]
272	325	**Ohbayashi Corp**	Japan	Mar	5,312	38	7,097	4,[illegible]43	9.9[6]
334	375	**Sekisui House Ltd**	Japan	Jan	4,466	112	7,121	5,704	9.0[6]

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		CONSTRUCTION							
390	507	**Mitsui Real Estate Development Co Ltd**	Japan	Mar	$3,860	$132	$11,415	$8,238	6.7
408	395	**Trafalgar House Plc**	UK	Sept	3,689	119	3,431	2,827	32.3
428	477	**Tarmac Plc**	UK	Dec	3,545	272	3,220	3,007	28.0
447	■	**Fujita Corp**	Japan	Nov	3,398	34	6,973	1,855	5.5
473	404	**Philipp Holzmann AG**	Germany	Dec	3,225	12	1,556	323	23.5
492	532	**Skanska AB**	Sweden	Dec	3,096	130[7]	4,221	2,921	29.4
		CONSUMER ELECTRONICS							
15	14	**Matsushita Electric Industrial Co**	Japan	Mar	34,833	1,177	38,607	31,480	170.0
107	123	**Electrolux Group[5]**	Sweden	Dec	10,635	289	8,408	2,477	140.5
111	119	**Sony Corp**	Japan	Mar	10,345	266	14,887	9,131	60.5
142	136	**Sanyo Electric Co Ltd**	Japan	Nov	8,168	–119	11,728	5,649	40.6
172	183	**Sharp Corp**	Japan	Mar	7,186	130	9,601	6,664	22.8[6]
385	248	**THORN EMI Plc**	UK	Mar	3,906	112	3,162	2,734	62.2
		CONSUMER GOODS							
178	140	**Grand Metropolitan Plc**	UK	Sept	7,033	719	7,459	7,205	90.7
192	■	**Japan Tobacco[6]**	Japan	Mar	6,675	304	12,298	none[3]	28.1
266	272	**Fuji Photo Film Co Ltd**	Japan	Oct	5,443	481	7,547	12,126	17.7
370	348	**Beecham Group Plc**	UK	Mar	4,049	408	4,756	6,225	35.8
404	■	**Kao Corp**	Japan	Mar	3,718	97	3,593	6,821	6.7[6]
456	463	**L'Oréal Group**	France	Dec	3,343	181	3,158	2,739	26.9
		COOPERATIVE							
74	74	**REWE-Zentral Organisation**	Germany	Dec	13,659	NA	NA	none[3]	92.5
88	139	**Edeka-Zentrale**	Germany	Dec	11,572	NA	NA	none[3]	30.0
101	53	**Metro-Deutschland Gruppe**	Germany	Dec	10,905E	NA	NA	none[3]	91.0
103	101	**Leclerc**	France	Dec	10,847	NA	NA	none[3]	33.5
162	166	**Migros-Genossenschafts-Bund**	Switzerland	Dec	7,438	109	6,165	none[3]	45.5
198	236	**Deutsche SPAR-Zentrale**	Germany	Dec	6,573	NA	NA	none[3]	27.2
225	285	**KF-Coop Group**	Sweden	Dec	5,996	43[7]	2,788	none[3]	27.8
246	235	**Coop Suisse**	Switzerland	Dec	5,710	NA	NA	none[3]	31.5
359	330	**S Group**	Finland	Dec	4,130	–3[6]	1,160[6]	none[3]	29.6
367	377	**Eka Corporation**	Finland	Dec	4,080	4	4,263	none[3]	27.1
395	327	**Systeme U**	France	Dec	3,827	NA	NA	none[3]	18.0
424	313	**GEDELFI**	Germany	Dec	3,561	NA	NA	none[3]	0.2
469	■	**FDB Co-op Denmark**	Denmark	Dec	3,243	34	1,453	none[3]	22.8
		ELECTRICAL EQUIPMENT							
21	28	**Siemens Group**	Germany	Sept	27,461	650	29,850	10,843	359.0
24	21	**Philips Group**	Netherlands	Dec	26,023	317	26,811	3,835	336.7
37	66	**Cie Générale d'Electricité**	France	Dec	21,206	305	32,035	2,840	219.5

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The 500 largest foreign companies

Rank 1987	Rank 1986	Company	Country	Fiscal year-end	Revenue[1] (mil)	Net income (mil)	Assets (mil)	Market value of common[2] (mil)	Employees (thou)
		ELECTRICAL EQUIPMENT							
54	■	**Asea Brown Boveri Group**	Sweden/Switz	Dec	$15,750E	NA	NA	$4,626[8]	166.8
116	98	**Le Groupe Thomson**	France	Dec	9,978	$177	$15,525	none[3]	86.0
321	340	**Matsushita Electric Works**	Japan	Nov	4,599	126	4,357	7,844	17.2
326	372	**Sumitomo Electric Industries Ltd**	Japan	Mar	4,577	104	4,643	8,144	13.2[6]
368	378	**BICC Plc Group**	UK	Dec	4,079	105	2,379	1,449	44.4
427	426	**Furukawa Electric Co Ltd**	Japan	Mar	3,549	74	3,953	3,303	7.2[6]
453	509	**Fuji Electric Co Ltd**	Japan	Mar	3,375	28	3,941	2,588	12.8[6]
		FINANCIAL							
175	198	**Nomura Securities Co Ltd**	Japan	Sept	7,117	1,778	23,817	39,920	12.0
282	287	**Crédit Foncier de France**	France	Dec	5,177	67	57,050	1,148	3.6[6]
293	358	**Daiwa Securities Co Ltd**	Japan	Sept	4,975	988	30,001	16,352	10.0
		FOOD DISTRIBUTION							
102	107	**Aldi GmbH & Co KG**	Germany	Dec	10,849E	NA	NA	none[3]	20.0
139	131	**George Weston Ltd**	Canada	Dec	8,322	101	2,728	1,135	67.3
250	240	**Casino Groupe**	France	Dec	5,663	58	2,185	771	40.2
303	301	**Provigo Inc**	Canada	Jan	4,863	51	1,219	553	12.7
312	298	**ICA Group**	Sweden	Dec	4,731	68[7]	1,766	none[3]	14.3
448	430	**Carnegie Group**	Sweden	Dec	3,394	44[7]	2,798	703	15.8
		FOOD PROCESSING							
22	16	**Unilever**	Netherlands/UK	Dec	27,124	1,278	18,713	15,968[8]	301.0
29	25	**Nestlé**	Switzerland	Dec	23,633	1,225	19,674	14,238	163.0
160	135	**Dalgety Plc**	UK	June	7,570	118	1,942	1,317	24.0
163	159	**Taiyo Fishery Co Ltd**	Japan	Jan	7,410	1	3,523	1,045	13.5
213	224	**BSN-Groupe**	France	Dec	6,182	258	6,432	4,216	41.3
270	303	**Snow Brand Milk Products Co Ltd**	Japan	Mar	5,390	24	2,467	2,341	14.8
292	■	**Hillsdown Holdings Plc**	UK	Dec	4,980	145	3,003	2,176	44.1
365	423	**Jacobs Suchard Group**	Switzerland	Dec	4,093	178	2,419	3,139	17.1
384	343	**Co-operative Wholesale Society Ltd**	UK	Dec	3,937	34	1,493	none[3]	22.2
389	363	**Associated British Foods Plc**	UK	Mar	3,868	185	3,795	2,493	53.9
410	414	**Unigate Group**	UK	Mar	3,686	121	1,583	1,208	34.6
429	525	**John Labatt**	Canada	Apr	3,543	108	2,065	1,290	17.9
458	448	**Cadbury Schweppes Plc**	UK	Dec	3,329	181	2,618	2,567	27.5
466	506	**Nippon Suisan Kaisha Ltd**	Japan	Mar	3,262	15	2,017	1,225	4.0[6]
		INDUSTRIAL EQUIPMENT							
76	42	**Mitsubishi Heavy Industries Ltd**	Japan	Mar	13,495	223	29,839	12,868	46.7[6]
124	112	**Mannesmann Group**	Germany	Dec	9,266	119	8,507	1,691	113.3
180	215	**M A N Group**	Germany	June	7,010	68	6,510	848	52.6
244	273	**Ishikawajima-Harima Heavy Industries**	Japan	Mar	5,738	–146	9,210	6,393	16.1[6]

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[redacted]

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		INDUSTRIAL EQUIPMENT							
288	**237**	**Komatsu Ltd**	Japan	Dec	$5,120	$66	$8,320	$4,025	22.9
486	**436**	**SKF Group[5]**	Sweden	Dec	3,125	45	3,987	1,062	43.7
489	**482**	**Sulzer Group**	Switzerland	Dec	3,109	52	5,334	753	31.7
		INDUSTRIAL GASES							
386	**408**	**L'Aire Liquide Group**	France	Dec	3,903	231	5,192	3,642	26.0
498	**433**	**BOC Group Plc**	UK	Sept	3,052	252	3,706	3,233	36.9
		INSURANCE							
12	**23**	**Nippon Life Insurance Co**	Japan	Mar	37,704	3,858	103,836	none[3]	14.4
32	**59**	**Dai-ichi Mutual Life Insurance**	Japan	Mar	22,526	2,680	71,010	none[3]	15.0
35	**49**	**Zenkyoren**	Japan	Mar	22,135	NA	87,166	none[3]	7.8
44	**71**	**Sumitomo Life Insurance Co**	Japan	Mar	19,083	2,106	58,907	none[3]	10.6
69	**100**	**Allianz Worldwide**	Germany	Dec	14,389E	NA	13,424[4]	11,050	41.1
87	**122**	**Meiji Mutual Life Insurance Co**	Japan	Mar	12,229	1,385	38,089	none[3]	8.0
110	**153**	**UAP-Union des Assurances de Paris**	France	Dec	10,359	424	34,819	2,970	27.1
114	**157**	**Asahi Mutual Life Insurance**	Japan	Mar	10,005	1,266	33,594	none[3]	8.6
127	**150**	**Generali Group**	Italy	Dec	9,019	324	23,033	15,499	22.0
131	**148**	**Prudential Corp Plc**	UK	Dec	8,703	286	49,548	5,617	35.0
137	**141**	**Zurich Insurance Group**	Switzerland	Dec	8,351	105[6]	10,416[6]	5,083	25.2
150	**151**	**Nationale-Nederlanden**	Netherlands	Dec	7,830	347	38,913	3,404	22.7
152	**214**	**Mitsui Mutual Life Insurance Co**	Japan	Mar	7,800	946	24,994	none[3]	31.1
167	**160**	**Royal Insurance Plc**	UK	Dec	7,326	294	22,987	3,509	23.2
184	**279**	**Yasuda Mutual Life Insurance Co**	Japan	Mar	6,848	873	20,943	none[3]	6.7
217	**256**	**Münchener Rückversicherungs[6]**	Germany	June	6,152	31	14,582	4,459	1.7
233	**254**	**AGF-Assurances Générales de France**	France	Dec	5,943	291	17,152	2,476	16.6
234	**252**	**Winterthur Group**	Switzerland	Dec	5,922	128	21,252	3,319	13.5
241	**270**	**Swiss Re Group**	Switzerland	Dec	5,756[4]	100[4]	17,413[4]	3,611	14.5
299	**275**	**Commercial Union Assurance Co Plc**	UK	Dec	4,888	233	21,545	2,608	19.1
306	**284**	**Sun Alliance & London Insurance Plc**	UK	Dec	4,797	198	19,998	3,152	15.0
314	**394**	**Nissan Fire & Marine Insurance[6]**	Japan	Mar	4,715	27	3,452	2,811	4.2
318	**361**	**Tokio Marine & Fire Insurance Co Ltd**	Japan	Mar	4,627	299	36,087	18,698	11.1[6]
321	**365**	**GAN-Groupe des Assurances Nationales**	France	Dec	4,599	221	13,880	1,090	8.7
335	**296**	**Sun Life Assurance Co**	Canada	Dec	4,456	116	16,717	none[3]	8.0
338	**333**	**Australian Mutual Provident Society**	Australia	Dec	4,442	NA	18,125	none[3]	7.2
347	**344**	**AXA Group**	France	Dec	4,294	99	11,282	none[3]	8.3
348	**388**	**AEGON Insurance Group**	Netherlands	Dec	4,292	167	24,230	1,180	9.8
349	**366**	**Swiss Life Insurance & Pension Co**	Switzerland	Dec	4,289	509	22,717	none[3]	4.2
352	**311**	**General Accident Fire & Life Assurance**	UK	Dec	4,247	264	9,866	2,879	12.3[6]

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		INSURANCE							
354	318	**Guardian Royal Exchange Plc**	UK	Dec	$4,243	$177	$16,699	$2,489	14.2
355	364	**Manufacturers Life Insurance Co**	Canada	Dec	4,216	103	16,723	none[3]	5.7
391	465	**Yasuda Fire & Marine Insurance Co Ltd[6]**	Japan	Mar	3,846	78	12,761	6,360	10.7
398	360	**AMEV NV**	Netherlands	Dec	3,771	144	13,915	1,177	10.7
402	425	**Standard Life Assurance Co**	UK	Nov	3,749	NA	23,390	none[3]	5.2
415	374	**Great-West Lifeco**	Canada	Dec	3,628	48	11,921	605	3.2
416	441	**Legal & General Group**	UK	Dec	3,620	101	22,936	2,473	8.0
488	435	**Crownx**	Canada	Dec	3,115	–57	7,919	197	29.9
		LEISURE							
431	485	**International Thomson Organisation Ltd**	Canada	Dec	3,537	209	3,419	2,702	23.2
451	468	**Ladbroke Group Plc**	UK	Dec	3,378	230	4,559	2,548	28.8
		MINING							
93	87	**Ruhrkohle**	Germany	Dec	11,276	10	11,761	none[3]	127.2
190	125	**British Coal**	UK	Mar	6,738	–430	10,807	none[3]	141.5
435	369	**CRA Limited**	Australia	Dec	3,525	226	5,964	2,743	25.0
491	442	**Saarberg Group**	Germany	Dec	3,096	0	3,002	none[3]	29.8
		MULTICOMPANY							
10	11	**IRI Group**	Italy	Dec	41,287	147	NA	none[3]	422.0
14	12	**Hitachi Ltd**	Japan	Mar	35,961	989	44,826	27,129	159.9
25	27	**Toshiba Corp**	Japan	Mar	25,822	439	27,585	13,682	122.0
36	35	**VEBA Group**	Germany	Dec	21,556	573	20,911	6,575	74.1
40	40	**Samsung Group**	Korea	Dec	21,148	2[illegible]	14,625	none[3]	160.6
47	38	**B.A.T Industries Plc**	UK	Dec	17,792	1,231	15,940	12,291	168.9
49	92	**Mitsubishi Electric Corp**	Japan	Mar	17,119	161	13,327[4]	8,220	49.4[4]
68	68	**Lucky-Gold Star Group**	Korea	Dec	14,487	181	10,315	none[3]	88.4
70	52	**Thyssen Group**	Germany	Sept	14,176	151	8,773	2,077	123.4
75	69	**Daewoo Group**	Korea	Dec	13,498	37	19,770	none[3]	94.9
81	77	**ÖIAG-Österreichische Industrie Verwalt**	Austria	Dec	12,972E	–672E	18,222E	none[3]	96.8
83	79	**INI Group**	Spain	Dec	12,737	–345	31,885	none[3]	163.8
130	73	**Canadian Pacific Ltd**	Canada	Dec	8,804	623	13,849	4,805	85.4
144	126	**Norsk Hydro a s[5]**	Norway	Dec	8,089	272	10,734	1,950	39.1
157	168	**Barlow Rand Group**	South Africa	Sept	7,632	222	5,243	1,755	140.4
165	154	**Hanson Plc**	UK	Sept	7,332	891	10,389	8,539	88.0
186	162	**Sunkyong Group**	Korea	Dec	6,812	91	3,537	none[3]	19.8
187	173	**BTR Plc**	UK	Dec	6,800	785	6,116	8,643	81.8
221	207	**Klöckner & Co**	Germany	Dec	6,077	4	1,932	none[3]	9.8
236	314	**Preussag Group**	Germany	Dec	5,799	45	3,259	579	29.7
265	267	**Feldmühle Nobel Group**	Germany	Dec	5,454	84	4,245	1,071	42.9

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		MULTICOMPANY							
297	316	**Kawasaki Heavy Industries Ltd**	Japan	Mar	$4,893	$–87	$6,757	$2,554	23.1
301	337	**Koç Group**	Turkey	Dec	4,880	167	1,631	none[3]	35.5
307	432	**Peninsular & Oriental Steam Navigation**	UK	Dec	4,786	347	5,835	3,585	48.1
315	277	**VIAG Group**	Germany	Dec	4,698	106	5,901	1,313	32.7
320	317	**Ssangyong Group**	Korea	Dec	4,603	75	4,763	none[3]	16.9[6]
331	264	**SHV Holdings NV**	Netherlands	Dec	4,542	87	2,593	none[3]	21.9
409	371	**Haci Ömer Sabanci Holding Corp**	Turkey	Dec	3,687	225	3,958	none[3]	29.1
434	412	**Korea Explosives Group**	Korea	Dec	3,526	NA	NA	none[3]	17.8
459	548	**CSR Group**	Australia	Mar	3,323	132	3,264	1,342	16.1
463	447	**Hyosung Group**	Korea	Dec	3,272	59	2,287	none[3]	24.0
478	512	**Oy Nokia**	Finland	Dec	3,185	192	4,011	1,539	29.3
		NONFERROUS METALS							
174	280	**Metallgesellschaft AG**	Germany	Sept	7,117	42	3,871	747	24.8
188	169	**Alcan Aluminium Ltd**	Canada	Dec	6,797	433	7,660	4,246	63.0
202	209	**Pechiney**	France	Dec	6,480	121	6,957	none[3]	46.2
211	234	**Degussa AG**	Germany	Sept	6,257	64	3,287	1,459	30.8
256	221	**RTZ Corporation Plc**	UK	Dec	5,568	459	7,535	5,090	51.0
361	464	**Mitsubishi Metal Corp**	Japan	Mar	4,121	–3	4,502	3,367	7.0[6]
446	379	**Alusuisse**	Switzerland	Dec	3,401	173	4,192	664	23.5
490	■	**Sumitomo Metal Mining Co Ltd[6]**	Japan	Mar	3,103	17	2,446	4,346	3.2
		OFFICE EQUIPMENT							
57	76	**NEC Corp**	Japan	Mar	15,326	94	18,964	21,873	101.2
63	120	**Fujitsu Ltd**	Japan	Mar	14,795	304	18,474	15,144	94.8
189	194	**Canon Inc**	Japan	Dec	6,753	92	9,181	4,481	37.5
247	220	**Olivetti Group**	Italy	Dec	5,691	310	9,198	2,850	58.1
406	452	**Ricoh Co Ltd**	Japan	Mar	3,706	68	3,858	5,264	28.0
		OIL AND GAS							
6	5	**Royal Dutch/Shell Group**	Netherlands/UK	Dec	78,306	4,725	86,561	50,834[8]	136.0
8	8	**British Petroleum Co Plc**	UK	Dec	45,198	2,280	49,977	27,896	126.4
28	20	**ENI-Ente Nazionale Idrocarburi**	Italy	Dec	24,252	484[4]	31,351	none[3]	120.0
38	39	**Elf Aquitaine Group**	France	Dec	21,188	690	28,766	4,425	73.0
52	93	**Petróleos de Venezuela SA**	Venezuela	Dec	16,028	2,923	23,851	none[3]	44.2
55	46	**Petrobrás-Petróleo Brasileiro SA**	Brazil	Dec	15,641	171[9]	15,460[9]	420	68.0
67	51	**TOTAL Group-Française des Pétroles**	France	Dec	14,489	242	13,579	2,376	40.5
78	72	**Pemex-Petróleos Mexicanos**	Mexico	Dec	13,131	3,011	34,553	none[3]	178.7
95	90	**Idemitsu Kosan Co Ltd[6]**	Japan	Mar	11,219	9	8,534[4]	none[3]	5.5
98	54	**Nippon Oil Co Ltd**	Japan	Mar	11,042	70	9,542	8,475	11.1
113	50	**Kuwait Petroleum Corp**	Kuwait	June	10,107	247	20,840	none[3]	15.6[6]

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		OIL AND GAS							
121	■	**Kyodo Oil**	Japan	Mar	$9,537	$38	$4,129	none[3]	1.7
126	145	**Statoil Group**	Norway	Dec	9,027	−228	9,024	none[3]	10.6
128	105	**Cosmo Oil Co Ltd**	Japan	Mar	8,843E	36	6,084	$1,700	3.1[6]
133	110	**Indian Oil Corp Ltd**	India	Mar	8,587	335	3,178	none[3]	32.6
134	116	**Petrofina SA**	Belgium	Dec	8,548	470	9,632	4,674	22.1
158	86	**Nederlandse Gasunie Group**	Netherlands	Dec	7,630	39	3,379	none[3]	1.9
161	104	**Repsol SA**	Spain	Dec	7,536	463	6,904	none[3]	18.7
196	186	**Chinese Petroleum Corporation**	Taiwan	Dec	6,622	1,985	7,345	none[3]	20.6
203	211	**Neste Group**	Finland	Dec	6,405	245	5,795	none[3]	11.2
245	406	**Türkiye Petrolleri AO**	Turkey	Dec	5,728	488	3,911	none[3]	18.8
273	155	**Ruhrgas**	Germany	Dec	5,305	285	2,996	none[3]	6.4
301	258	**CEA-Industrie Groupe**	France	Dec	4,880	299	16,441	none[3]	30.7
309	278	**YPF-Yacimientos Petroliferos Fiscales**	Argentina	Dec	4,775	NA	8,372[9]	6,789	34.9
333	206	**Nippon Mining Co Ltd**	Japan	Mar	4,513	20	4,741	2,661	5.7[6]
340	289	**Toa Nenryo Kogyo KK**	Japan	Dec	4,409	264	4,892	6,703	2.3[6]
341	249	**Schlumberger Ltd**	Neth Antilles	Dec	4,402	283	6,741	7,826	50.0
357	227	**Mitsubishi Oil Co Ltd**	Japan	Mar	4,161	52	3,572	1,288	2.5[6]
399	320	**Petro-Canada**	Canada	Dec	3,757	161	6,503	none[3]	7.2
		PAPER AND PACKAGING							
262	476	**Noranda**	Canada	Dec	5,471	259	7,382	3,587	44.0
422	473	**Toyo Seikan Kaisha Ltd**	Japan	Mar	3,577	113	2,875	3,227	14.5
462	492	**Oji Paper Co Ltd**	Japan	Mar	3,272	77	3,620	4,993	5.4[6]
472	■	**Stora Group**	Sweden	Dec	3,230	185[7]	5,689	2,198	21.5
		PUBLISHING							
215	391	**Saatchi & Saatchi Plc**	UK	Sept	6,159	118	1,492	1,235	15.6
269	304	**Dai Nippon Printing Co Ltd**	Japan	May	5,412	181	4,589	14,641	13.9
298	332	**Toppan Printing Co Ltd**	Japan	May	4,889	120	3,966	7,594	18.0
311	398	**Bertelsmann Aktiengesellschaft**	Germany	June	4,735	107	3,555	none[3]	42.0
433	454	**News Corporation Ltd**	Australia	June	3,529	548	9,109	2,282	23.0
467	434	**Reed International Plc**	UK	Mar	3,247	492	3,515	4,027	31.2
		RETAILING							
84	81	**Daiei Inc**	Japan	Feb	12,570	34	6,523	4,205	28.1
118	113	**Ito-Yokado Co Ltd**	Japan	Feb	9,774	310	5,477	10,753	28.1
136	147	**Vendex International Group**	Netherlands	Jan	8,376	113	3,348[9]	none[3]	79.1
153	156	**Marks & Spencer Plc**	UK	Mar	7,794	550	5,939	9,061	45.7
159	130	**Coles Myer Ltd**	Australia	July	7,618	164	2,696	2,064	141.2
168	171	**Seiyu Ltd**	Japan	Feb	7,276	42	6,133	1,880	26.0
177	178	**Jusco Co Ltd**	Japan	Feb	7,073	75	4,386	3,358	19.6
179	175	**Nichii Co Ltd**	Japan	Feb	7,031	78	5,222	2,838	33.1

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Rank 1987	Rank 1986	Company	Country	Fiscal year-end	Revenue[1] (mil)	Net income (mil)	Assets (mil)	Market value of common[2] (mil)	Employees (thou)
		RETAILING							
182	202	**Otto Versand-Group**	Germany	Feb	$6,895	NA	$1,227[4]	none[3]	28.0
195	204	**Karstadt Group**	Germany	Dec	6,640	$95	2,971	$1,949	66.3
210	200	**Takashimaya Co Ltd**	Japan	Feb	6,269E	94E	2,926[4]	2,401	7.8[6]
240	241	**Co op AG**	Germany	Dec	5,762	35	2,127	1,137	48.7
254	260	**Mitsukoshi**	Japan	Feb	5,384	23	1,812[4]	5,367	11.5[6]
275	251	**Daimaru**	Japan	Feb	5,258E	7E	1,938[4]	1,317	7.7[6]
283	■	**Asko Deutsche Kaufhaus AG**	Germany	Dec	5,174	NA	767[4]	728	40.0
294	305	**Kaufhof**	Germany	Dec	4,951	41	2,503	1,907	40.5
324	339	**Boots Co Plc**	UK	Mar	4,592	323	2,855	4,041	67.0
373	322	**Woolworths Ltd**	Australia	Jan	4,032	23	1,049	341	60.0
376	368	**Uny Co Ltd**	Japan	Feb	4,019	60	2,646	1,830	9.7
396	411	**GB-Inno-BM**	Belgium	Jan	3,806	53	1,593	813	18.6
407	460	**Docks de France**	France	Dec	3,701	28	1,214	260	22.4
414	357	**Imasco Ltd**	Canada	Dec	3,631	191	4,347	2,373	92.4
419	449	**Woolworth Holdings Plc**	UK	Jan	3,613	232	3,022	2,056	36.6
432	383	**Great Universal Stores Plc**	UK	Mar	3,531	348	4,190	5,266	33.3
436	367	**Sears Plc**	UK	Jan	3,514	194	3,665	3,620	63.1
437	405	**C & A Brenninkmeyer**	Germany	Dec	3,513E	NA	NA	none[3]	20.0
445	288	**Hudson's Bay Co**	Canada	Jan	3,435	–73	2,833	444	38.0
471	■	**Marui**	Japan	Jan	3,238	134	3,021[4]	7,350	8.5
475	467	**Littlewoods Organisation Plc**	UK	Dec	3,204	84	2,077	none[3]	36.0
		STEEL							
64	57	**Nippon Steel Corp**	Japan	Mar	14,641	–68	24,678	19,453	63.3[6]
96	78	**Groupe Usinor Sacilor**	France	Dec	11,166	–970	13,627	none[3]	90.1
147	127	**Krupp Group**	Germany	Dec	7,848	NA	5,584[4]	none[3]	65.2
166	161	**NKK Corp**	Japan	Mar	7,326	–129	17,698	6,864	35.1
193	182	**Kobe Steel Ltd**	Japan	Mar	6,646	–74	14,052	4,959	24.4[6]
212	181	**Kawasaki Steel Corp**	Japan	Mar	6,252	–42	12,698	7,315	24.4[6]
228	185	**Sumitomo Metal Industries Ltd**	Japan	Mar	5,992	–87	14,869	5,856	25.2[6]
237	170	**Broken Hill Proprietary Co Ltd**	Australia	May	5,794	570	12,504	8,211	61.0
285	203	**British Steel Corp**	UK	Mar	5,165	266	6,871	none[3]	54.7
356	312	**Salzgitter**	Germany	Sept	4,188	37	4,415	none[3]	37.5
366	349	**Hoesch Group**	Germany	Dec	4,083	27	4,023	409	32.8
383	300	**Cockerill Sambre Groupe**	Belgium	Dec	3,943	–50	4,401	1,049	26.7
403	382	**Siderbrás Group**	Brazil	Dec	3,742	–4,362	14,113	none[3]	79.5
426	478	**Pohang Iron & Steel Co Ltd**	Korea	Dec	3,549	86	6,486	none[3]	19.3
477	370	**Klöckner-Werke Group**	Germany	Sept	3,189	–209[6]	2,574[6]	269	28.2
484	345	**Steel Authority of India Ltd**	India	Mar	3,134	41	7,082	none[3]	206.7
497	462	**Hoogovens Groep**	Netherlands	Dec	3,055	–38	4,719	286	28.3

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The 500 largest foreign companies

Rank 1987	Rank 1986	Company	Country	Fiscal year-end	Revenue[1] (mil)	Net income (mil)	Assets (mil)	Market value of common[2] (mil)	Employees (thou)
SUPERMARKETS									
58	58	**Tengelmann Group**	Germany	June	$15,250	NA	NA	none[3]	130.3
122	124	**Carrefour Group**	France	Dec	9,400	$127	$4,209	$2,176	40.4
143	179	**J Sainsbury Plc**	UK	Mar	8,158	340	4,070	6,066	54.2
169	295	**Dee Corporation Plc**	UK	Apr	7,275	151	2,801	3,475	84.2
181	191	**Tesco Plc**	UK	Feb	6,932	259	2,955	4,362	50.2
238	242	**Promodès Group**	France	Dec	5,773	25	2,171	346	30.4
260	401	**Argyll Group Plc**	UK	Mar	5,510	170	2,102	3,206	63.0
263	266	**Ahold**	Netherlands	Dec	5,463	65	1,710	684	35.7
325	307	**Delhaize "Le Lion" Group**	Belgium	Dec	4,584	41	1,343	943	40.0
372	334	**Asda Group Plc**	UK	Apr	4,040	195	2,000	3,702	44.2
460	420	**Steinberg Inc**	Canada	July	3,313	143	1,107	421	36.0
465	474	**Euromarché SA**	France	Dec	3,268	38	1,230	543	18.9
TEXTILES									
336	331	**Toray Industries**	Japan	Mar	4,446	98	5,609	7,299	26.7
430	484	**Kanebo Ltd**	Japan	Apr	3,542	–42	4,216	1,843	26.5
461	459	**Teijin Ltd**	Japan	Mar	3,305	98	4,288	5,052	6.4[6]
TRADING									
1	2	**Mitsubishi Corp**	Japan	Mar	96,606	225	60,064	12,222	13.9
2	3	**C Itoh & Co Ltd**	Japan	Mar	92,356	126	30,515	5,565	12.0
3	1	**Mitsui & Co Ltd**	Japan	Mar	88,640	95	35,557	6,675	11.4
4	6	**Marubeni Corp**	Japan	Mar	82,871	54	37,330	3,270	10.1
5	4	**Sumitomo Corp**	Japan	Mar	81,709	184	20,546	5,604	12.2
7	7	**Nissho Iwai Corp**	Japan	Mar	75,441	61	22,429	2,054	7.3
20	18	**Toyo Menka Kaisha Ltd**	Japan	Mar	27,631	19	10,032	1,468	5.0
30	22	**Nichimen Corp**	Japan	Mar	23,240	7	9,620	926	3.0[6]
39	24	**Kanematsu-Gosho Ltd**	Japan	Mar	21,160	8	8,661	618	3.5
138	144	**Toyota Tsusho Corp**[6]	Japan	Mar	8,335	31	2,741	1,166	1.6
140	115	**Kawasho Corp**[6]	Japan	Sept	8,310	5	3,945	534	1.6
206	263	**Hyundai Corp**	Korea	Dec	6,387	4	246	123	0.9
239	228	**Franz Haniel & Cie GmbH**	Germany	Dec	5,768	46	1,877	none[3]	18.7
258	259	**Kesko Group**	Finland	Dec	5,541	25	2,673	529	8.0
305	310	**Elders IXL Ltd**	Australia	June	4,833	232	6,961	2,710	26.7
316	302	**Lonrho Group**	UK	Sept	4,694	230	4,114	1,720	124.5
342	283	**Toshoku Ltd**	Japan	Oct	4,395	8	2,659	455	0.9
351	424	**Fletcher Challenge Ltd**	New Zealand	June	4,258	186	5,254	2,248	37.6
378	390	**Chori Co Ltd**	Japan	Mar	4,006	3	2,029	277	1.5[6]
387	353	**Itoman & Co Ltd**	Japan	Sept	3,886	19	5,523	876	1.4[6]
418	386	**Hanwa Co Ltd**[6]	Japan	Mar	3,615	47	4,090	2,293	1.1
457	418	**Inchcape Plc**	UK	Dec	3,341	127	2,149	1,002	44.4
496	455	**Shinsho Corp**[6]	Japan	Mar	3,062	2	1,320	459	1.0

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		TRANSPORTATION							
62	60	**Deutsche Bundesbahn**	Germany	Dec	$14,955	$–2,198	$45,182	none[3]	257.5
91	■	**East Japan Railways**	Japan	Mar	11,317	198	31,242	none[3]	89.5
94	91	**SNCF**	France	Dec	11,232	165	25,059	none[3]	218.2
197	229	**Nippon Express Co Ltd**	Japan	Mar	6,594	57	4,663	$7,949	45.6[6]
204	225	**British Airways Plc**	UK	Mar	6,395	257	5,839	1,954	44.0
216	216	**Deutsche Lufthansa AG**	Germany	Dec	6,156	50	5,574	1,859	46.6
261	282	**Japan Air Lines Co Ltd**	Japan	Mar	5,479	–47	6,655	14,432	22.4
264	294	**Air France**	France	Dec	5,455	203	4,572	none[3]	41.8
310	271	**British Railways Board**	UK	Mar	4,751	–123	3,777	none[3]	171.4
375	384	**Danzas Group**	Switzerland	Dec	4,024	6[6]	757[6]	none[3]	12.9
377	306	**Nippon Yusen Kaisha Line**	Japan	Mar	4,006	–22	5,621	4,230	3.6[6]
400	356	**South African Transport Services**	South Africa	Mar	3,754	71	9,975	none[3]	202.8
401	479	**Kinki Nippon Railway Co Ltd**	Japan	Mar	3,750	88	6,426	9,967	13.1[6]
412	416	**SAS Group**	Sweden	Sept	3,650	NA	3,041	none[3]	34.2
420	338	**Canadian National Railway System**	Canada	Dec	3,608	48	5,842	none[3]	50.9
476	■	**All Nippon Airways Co Ltd**	Japan	Mar	3,203	29	4,409	16,222	11.4[6]
495	■	**Schweizerische Bundesbahnen-SBB**	Switzerland	Dec	3,079	16	8,667	none[3]	37.2
		UTILITY							
27	32	**Tokyo Electric Power Co[6]**	Japan	Mar	24,434	1,186	66,411	54,753	39.3
31	31	**Electricité de France**	France	Dec	22,582	37	97,122	none[3]	123.8
50	45	**The Electricity Council**	UK	Mar	16,593	1,962	66,399[9]	none[3]	131.9
56	62	**ENEL**	Italy	Dec	15,427	103	46,428	none[3]	114.1
72	67	**RWE Group**	Germany	June	14,037	284	20,321	3,984	72.8
82	84	**Kansai Electric Power Co[6]**	Japan	Mar	12,802	840	33,487	19,967	24.6
85	75	**British Gas Plc**	UK	Mar	12,539	1,389	20,830	9,631	82.3
109	106	**Chubu Electric Power[6]**	Japan	Mar	10,372	1,007	24,408	14,756	20.0
129	137	**Générale des Eaux Groupe**	France	Dec	8,812	174	9,288	2,790	87.1
171	132	**Gaz de France**	France	Dec	7,189	11	11,290	none[3]	28.6
194	193	**Tohoku Electric Power Co[6]**	Japan	Mar	6,640	334	15,939	7,694	13.3
201	208	**Kyushu Electric Power[6]**	Japan	Mar	6,520	291	18,411	6,785	15.0
295	291	**Chugoku Electric Power Co[6]**	Japan	Mar	4,942	248	13,943	5,561	11.6
302	290	**Korea Electric Power Corp**	Korea	Dec	4,871	1	15,861	none[3]	30.3
313	329	**Taiwan Power Co**	Taiwan	June	4,724	1,095	18,027	none[3]	24.2
327	324	**Tokyo Gas Co Ltd**	Japan	Mar	4,569	411	5,372	15,663	13.0[6]
380	342	**Ontario Hydro**	Canada	Dec	3,982	204	25,125	none[3]	32.1
392	347	**Hydro-Québec**	Canada	Dec	3,842	383	24,357	none[3]	18.9
405	419	**Osaka Gas Co Ltd**	Japan	Mar	3,710	238	5,327	9,344	9.9[6]
441	470	**Eskom**	South Africa	Dec	3,462	345	15,880	none[3]	56.8
464	415	**INTERCOM**	Belgium	Dec	3,271	242	8,000	2,510	8.8[6]
493	498	**Bayernwerk**	Germany	Sept	3,094	109	11,635	none[3]	9.5
500	439	**VEW-Vereinigte Elektrizitätswerke West**	Germany	Dec	3,040	228	6,242	2,055	8.1

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THE 100 LARGEST FOREIGN INVESTMENTS IN THE U.S.

A record $195 billion poured into the U.S. from overseas investors last year, according to the latest Department of Commerce figures. Some $153 billion flowed into bank deposits and the purchase of Treasurys, corporate bonds and other financial assets. But lured by the cheap dollar, political stability and sharply lower stock prices, foreigners spent a record $42 billion on American plant, equipment, services and real estate last year. The figure was up 68% over 1986.

Some of the biggest direct investment deals involved further consolidation of foreign ownership. The largest was British Petroleum's $7.8 billion acquisition in May 1987 of the remaining 45% of Standard Oil.

When they buy, foreigners tend to buy big, well-known companies and tend not to haggle overmuch on price. According to *Mergers & Acquisitions* magazine, foreigners accounted for less than 9% of the number of U.S. mergers, acquisitions and LBOs in 1987, but 25% of the dollar value. Examples include Campeau Corp.'s purchase of Federated Department Stores, Seagram's acquisition of Tropicana Products and the purchase of Firestone Tire & Rubber by Japan's Bridgestone.

Foreign capital inflows are likely to continue at 1987's record rate. Though it has recovered somewhat, the dollar is still cheap by historical standards. Foreigners, moreover, often have more faith in the U.S. economy than Americans do.

Rank	Foreign investor	Country	US investment	% owned	Industry	Revenue (mil)	Net income (mil)	Assets (mil)
1	Seagram Co Ltd*	Canada	EI du Pont de Nemours*	23%	chemicals, energy	$30,224	$1,786.0	$28,209
			Joseph E Seagram & Sons[1]	100	alcoholic beverages	2,440	41.8	3,140
			Tropicana Products	100	beverages	750	NA	NA
						33,414		
2	Royal Dutch/Shell Group*	Netherlands/ UK	Shell Oil	100	energy, chemicals	20,852	1,230.0	26,937
3	British Petroleum Plc*	UK	BP America	100	energy	14,611	564.0	23,287
4	Campeau	Canada	Allied Stores	100	retailing	2,863[2]	NA	NA
			Federated Dept Stores*	98	retailing	11,118[3]	313.0[3]	6,009[3]
						13,981		
5	Tengelmann Group	Germany	Great A&P Tea*	53	supermarkets	9,532	103.4	2,243
6	B.A.T Industries Plc*	UK	BATUS	100	multicompany	5,835	466.2	4,638
	*Imasco Ltd**	Canada	Peoples Drug Stores	100	drugstores	1,396	NA	NA
			Imasco USA	100	fast food	1,360	NA	NA
						8,591		
7	Unilever NV*	Netherlands	Chesebrough-Pond's	100	personal care	1,087	76.2	NA
	Unilever Plc*	UK	Lever Brothers	100	consumer goods	2,856	7.0	1,011
			Thomas J Lipton	100	food & beverages	1,413	108.6	851
			National Starch & Chem	100	adhesives, starch	1,208	92.2	941
						6,564		
8	Nestlé*	Switzerland	Nestlé Enterprises	100	food, restaurants	3,500	NA	NA
			Carnation	100	food	2,600	NA	NA
			Alcon Laboratories	100	optical products	450	NA	NA
						6,550		
9	Hanson Plc*	UK	Hanson USA	100	multicompany	3,598	229.0	2,934
			Kidde	100	multicompany	2,681	44.0	1,843
						6,279		
10	Petróleos de Venezuela, SA	Venezuela	Citgo Petroleum	50	refining, marketing	3,938	85.7	1,191
			Champlin Refining	50	refining, marketing	1,555	NA	500E
						5,493		
11	NV Philips*	Netherlands	North American Philips	100	electronics	5,059	–34.1	3,412
12	Hoechst AG*	Germany	Hoechst Celanese	100	chemicals	4,596	169.0	5,388
13	BASF Group*	Germany	BASF	100	chemicals	4,334	130.7	2,558
14	Bayer AG*	Germany	Bayer USA	100	chemicals	3,392	107.3	2,554
			Agfa-Gevaert	100	photography	807	15.8	573
			Compugraphic*	84	computer typesetting			
						4,199		

*Publicly traded in the U.S. in shares or ADRs. E: Estimate. NA: Not available. [1] Including interest in Du Pont, net income is $418.4 million, assets are $6,727 million. [2] Excludes divestitures. [3] Includes divisions sold to R.H. Macy and May Department Stores. Note: Some foreign investors on the list own U.S. companies indirectly through companies in italics.

Rank	Foreign investor	Country	US investment	% owned	Industry	Revenue (mil)	Net income (mil)	Assets (mil)
15	**Tate & Lyle Plc**	UK	Staley Continental	100%	food distr, processors	$3,374	$54.8	$1,832
			Pacific Molasses	100	molasses, animal feeds			
			Refined Sugars	100	sugar refining	695	20.5E	NA
			Other companies	100	sugar processing			
						4,069		
16	**Bridgestone**	Japan	Firestone Tire & Rubber	100	tire & rubber	3,867	123.0	2,921
17	**Anglo Amer of S Africa***	South Africa	Engelhard*	30	metals	2,479	69.8	1,216
	Minerals & Resources*	Bermuda	Inspiration Resources*	56	agricultural, mining	1,243	9.7	895
	Charter Consol*	UK	Natl Mine Service*	51	mining equipment	59	0.2	34
						3,781		
18	**BCE*†**	Canada	BCE Development US	100	real estate	146	NA	2,000
	Northern Telecom Ltd*	Canada	Northern Telecom	100	telecommunications	2,997	NA	1,807
	Trans Canada Pipeline*	Canada	Great Lakes Gas Trans	50	gas transmission	261	42.8	339
			Northern Border Pipeline	30	gas transmission	232	60.9	1,081
						3,636		
19	**Ahold NV***	Netherlands	BI-LO	100	supermarkets	1,219	NA	363
			Giant Food Stores	100	supermarkets	618	NA	133
			First National Supermkts	80	supermarkets	1,600	NA	NA
						3,437		
20	**Electrolux AB***	Sweden	White Consolidated	100	appliances	3,419	NA	2,248
21	**CS Holding**	Switzerland						
	Financière CSFB	Switzerland	First Boston*	39	investment banking	3,405	108.9	36,148
22	**Imperial Chemical Industries Plc***	UK	ICI Americas	100	chemicals, drugs, paint	3,040	NA	3,000
			Stauffer Chemical	100	agrochemicals	280	NA	400
						3,320		
23	**Brascan Ltd***	Canada						
	Noranda	Canada	Noranda US	100	minerals, forest prods	1,748	NA	1,691
	John Labatt Ltd	Canada	Johanna Farms	100	dairy, juice products	1,504	NA	713
			Other companies	100	package foods, brewing			
						3,252		
24	**Volkswagenwerk AG***	Germany	Volkswagen of America	100	automotive	3,235	NA	NA
25	**Group Bruxelles Lambert**	Belgium	Drexel Burnham Lambert	26	finance	3,200	NA	35,872
26	**Vendex International**	Netherlands	Dillard Dept Stores*	45	retailing	2,206	91.2	1,498
			Barnes & Noble College	30	retailing	950	NA	NA
			Dalton	50	retailing			
						3,156		
27	**Franz Haniel & Cie**	Germany	Scrivner	100	food distribution	3,100	15.0E	450E
28	**Fujitsu Ltd***	Japan	Amdahl*	45	electronics	1,505	142.0	1,508
			Fujitsu America	100	electronics	1,210	NA	NA
			Fujitsu Microelectronics	100	electronics	363	16.0E	146
						3,078		
29	**Thomson SA**	France	Thomson Consumer Elec	100	consumer electronics	3,000	NA	NA
30	**Jefferson Smurfit Group Plc**	Ireland						
	Smurfit Intl BV	Netherlands	Jefferson Smurfit*	78	packaging	1,099	92.0	691
			Container Corp of Am	50	paper products	1,894	87.1	1,452
						2,993		
31	**Delhaize "Le Lion" SA**	Belgium	Food Lion*	44	supermarkets	2,954	85.8	806
32	**Honda Motor Co Ltd***	Japan	Honda of America Mfg	100	automotive	2,850E	NA	NA
33	**George Weston Ltd***	Canada	Stroehmann Bakeries	100	bakery	555	NA	72
			Interbake Foods	100	bakery			
			Eastern Fine Paper	100	paper products			
	Loblaw Cos*	Canada	Peter J Schmitt	100	food wholesaling	1,071	NA	NA
			National Tea	100	supermarkets	1,146	NA	NA
						2,772		

*Publicly traded in the U.S. in shares or ADRs. E: Estimate. NA: Not available. †Formerly Bell Canada Enterprises. Note: Some foreign investors on the list own U.S. companies indirectly through companies in italics.

The 100 largest foreign investments in the U.S.

Rank	Foreign investor	Country	US investment	% owned	Industry	Revenue (mil)	Net income (mil)	Assets (mil)
34	**Siemens AG***	Germany	Siemens Capital	100%	electronics	$2,760	$–244.0	$3,055
35	**CIBA-GEIGY Ltd**	Switzerland	CIBA-GEIGY	100	chemicals, drugs	2,731	NA	2,600
36	**Sony Corp***	Japan	Sony Corp (US)	100	consumer electronics	1,000E	NA	NA
			CBS Records	100	records	1,548	131.7	NA
						2,548E		
37	**Nippon Kokan***	Japan	National Steel	50	steel	2,417	45.8	1,689
			Int'l Light Metals	40	aluminum, titanium	98	–3.0	149
						2,515		
38	**Grand Metropolitan Ltd***	UK	GrandMet Consumer Prods	100	consumer products	990	NA	NA
			Heublein	100	alcoholic beverages	1,500	NA	NA
						2,490		
39	**Petrofina SA**	Belgium	American Petrofina*	83	energy	2,484	83.3	1,836
40	**Royal Insurance Plc**	UK	Royal USA	100	insurance	2,452	115.6	4,455
41	**Hongkong & Shanghai Banking Corp***	Hong Kong	Marine Midland Banks	100	banking	2,444	–408.8	25,453
42	**RTZ Plc***	UK	US Borax & Chemical	100	mining, borax	1,561	151.8	992
			US Silica	100	sand, clays			
			Commonwealth Aluminum	33	aluminum			
	RTZ Pillar Ltd	UK	Indal US	100	building products	453	NA	300E
	Rio Algom Ltd	Canada	Rio Algom	100	metals	350E	NA	NA
						2,364E		
43	**Power Corp of Canada**	Canada	Great-West Life Assur	97	insurance	2,237	–24.0	7,056
44	**Dalgety Plc**	UK	Martin-Brower	100	food distribution	2,217	NA	NA
			Modern Maid Food	100	food products			
45	**Alcan Aluminium Ltd***	Canada	Alcan Aluminum	100	aluminum	2,181	27.0	1,145
46	**Compagnies des Machines Bull***	France	Honeywell Bull	43	information systems	2,060	17.4	NA
47	**Crownx**	Canada	Crown Life Insurance	94	insurance	1,633	NA	3,686
			Extendicare Group	100	health care	313	NA	NA
						1,946		
48	**News Corporation Ltd***	Australia	News America	100	media	1,891	NA	4,244
49	**Régie Nationale des Usines Renault**	France	Mack Trucks*	44	automotive	1,858	3.8	1,011
50	**Henkel KGaA**	Germany	Clorox*	26	household products	1,126	104.9	933
			Loctite	25	chemicals	338	30.0	NA
			Henkel of America	100	chemicals	392	NA	NA
						1,856		
51	**Dainippon Ink and Chemicals**	Japan	Reichhold Chemicals	100	chemicals	774	NA	NA
			Sun Chemical	100	printing, chemicals	800E	NA	NA
			Polychrome	100	printing	277	8.1	256
						1,851E		
52	**AEGON NV***	Netherlands	Life Investors	100	insurance	1,419	32.7	3,759
			Monumental	100	insurance	263	NA	1,327
			National Old Line	100	insurance	106	5.0	427
			AEGON Reinsurance	100	insurance	44	–28.6	138
						1,832		
53	**Bertelsmann AG**	Germany	RCA, Arista	100	records	1,800	NA	NA
			Doubleday Mfg	100	printing			
			Offset Paperback Mfrs	100	printing			
			Bantam, Doubleday, Dell	100	publishing			
54	**Total CFP**	France	Total Energy Resources	100	energy	85	–59.1	NA
	Total Petrol NA Ltd*	Canada	Total Petroleum	100	energy	1,703	–35.7	878
						1,788		

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[redacted]

Rank	Foreign investor	Country	US investment	% owned	Industry	Revenue (mil)	Net income (mil)	Assets (mil)
55	**Daimler-Benz Group***	Germany	Freightliner	100%	automotive	$1,513	NA	NA
	AEG AG*	Germany	AEG	100	elec equip, electronics	250	NA	NA
			Other companies	100	elec equip, computers			
						1,763		
56	**Canadian Pacific Ltd***	Canada	Canadian Pacific USA	100	transportation, steel	400E	NA	$1,200E
			Soo Line*	56	railroad	613	$-8.5	922
	AMCA Intl Ltd*	Canada	AMCA US	100	industrial machinery	749	NA	352
						1,762		
57	**Manufacturers Life Insurance**	Canada	Manufacturers Life Ins	100	insurance	1,700E	NA	NA
58	**Saban SA**	Switzerland	Republic NY*	33	banking	1,665	33.0	22,388
59	**Prudential Corporation Plc***	UK	Jackson National Life	100	insurance	1,626	25.2	3,643
60	**Nissan Motor Co Ltd***	Japan	Nissan Motor Mfg USA	100	automotive	1,586	NA	NA
61	**Montedison Group***	Italy	Himont*	81	chemicals	1,165	226.9	1,512
	Ausimont NV*	Netherlands	Erbamont	72	pharmaceuticals	220	NA	277
			Ausimont Industries	74	chemicals	117	NA	NA
			Conserv	100	agroindustry	77	2.1	38
						1,579		
62	**Beazer Plc**	UK	Koppers*	96	const materials, chem	1,516	10.8	1,075
63	**Zurich Insurance Group**	Switzerland	Zurich-American Ins	100	insurance	895	113.7	2,176
			Universal Underwriters	100	insurance	553	69.7	823
			Other companies	100	insurance	68	6.1	125
						1,516		
64	**National Westminster Bank Plc***	UK	National Westminster Bank US	100	banking	1,055	-212.0	11,539
			National Westminster Bank NJ	100	banking	457	42.0	4,895
						1,512		
65	**Volvo AB***	Sweden	Volvo White Truck	100	automotive	1,089	14.4	911
			VME America's	25	automotive	420	NA	250
						1,509		
66	**General Accident Fire & Life Plc**	Scotland	Gen Accident Corp of Am	100	insurance	1,504	98.0	3,652
67	**Roche/Sapac**	Switzerland	Hoffmann-La Roche	100	drugs, chemicals	1,500	NA	NA
68	**Nationale-Nederlanden NV**	Netherlands	Nationale-Nederlanden US	100	insurance	1,490	62.7	4,136
69	**Sandoz Ltd**	Switzerland	Sandoz United States	100	chemicals, drugs	1,473	NA	NA
70	**TBG Holding NV**	Netherlands	Ball-InCon Glass	50	containers, packaging	550	NA	NA
			Peerless Pump	100	pumps	900	NA	NA
			Info Technology Group	100	electronic information			
						1,450		
71	**Moore Corp Ltd***	Canada	Moore Business Forms	100	business forms	1,425	NA	813
72	**Carrefour**	France	Costco Wholesale*	21	retailing	1,401	5.1	373
73	**BTR Plc***	UK	BTR Dunlop	100	energy, construction	1,400E	NA	NA
74	**Rhône-Poulenc Group**	France	Rhône-Poulenc	100	chemicals	832	NA	1,300
			Stauffer (basic chemical)	100	chemicals	550E	NA	600E
						1,382E		
75	**Thyssen Group**	Germany	Budd	100	auto parts	1,359	NA	NA
76	**Akzo NV***	Netherlands	Akzo America Inc	100	multicompany	1,053	NA	NA
			Stauffer (specialty chem)	100	chemicals	300E	NA	225E
						1,353E		

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The 100 largest foreign investments in the U.S.

Rank	Foreign investor	Country	US investment	% owned	Industry	Revenue (mil)	Net income (mil)	Assets (mil)
77	**SNECMA**	France	CFM International	50%	aviation	$1,347	$1.2	$635
78	**BOC Group Plc***	UK	BOC Group	100	gases & health care	1,334	57.9	1,513
79	**Toyota Motor Corp***	Japan	New United Motor Mfg	50	automotive	1,300E	NA	NA
80	**Consolidated Gold Fields Plc***	UK	Newmont Mining* Gold Fields American ARC America	49 100 100	mining natural resources construction materials	514 412 333 1,259	337.6 96.4 NA	1,964 1,160 NA
81	**Commercial Union Assurance Plc**	UK	Commercial Union	100	insurance	1,243	40.1	2,872
82	**Pechiney**	France	Howmet Other companies	100 100	gas turbines aluminum	1,235	NA	1,168
83	**J Sainsbury Plc***	UK	Shaw's Supermarkets	100	supermarkets	1,235	NA	NA
84	**Kuwait Petroleum**	Kuwait	Santa Fe Intl (KPC)	100	energy	1,201	–357.8	3,695
85	**Continental AG**	Germany	General Tire	100	tire	1,200E	NA	700E
86	**Bond Corporation Holdings**	Australia	G Heileman Brewing	100	alcoholic beverages	1,200E	NA	NA
87	**Schlumberger NV***	Neth Antilles	Schlumberger Technology	100	oilfield svs, electron	1,183	–93.0	1,246
88	**Elf Aquitaine Group**	France	Elf Aquitaine	100	multicompany	1,179	NA	3,141
89	**Olympia & York Developments Ltd** ***Trizec***	Canada Canada	Landmark Land* Abitibi-Price* Rouse*	25 78 23	real estate forest products property dev, banking	263 520 388 1,171	–47.5 NA 11.9	2,134 231 1,741
90	**General Electric Plc***	UK	Picker International AB Dick	100 100	medical equipment office equipment	770E 400E 1,170E	NA NA	NA NA
91	**Saint-Gobain**	France	CertainTeed	100	building supplies	1,158	61.4	856
92	**Sun Life Assurance Co of Canada**	Canada	Sun Life (US) Other companies	100 100	insurance financial services	913 233 1,146	–8.8 14.9	3,393 586
93	**NV AMEV**	Netherlands	AMEV Holdings Inc	100	insurance	1,136	16.8	2,255
94	**United Biscuits (Holdings) Plc**	UK	Keebler	100	bakery	1,127	NA	255
95	**Hachette SA**	France	Grolier Curtis Circulation Diamandis Communications	100 100 100	publishing publishing magazine publishing	424 398 300 1,122	15.5 NA NA	444 NA NA
96	**Broken Hill Proprietary***	Australia	Utah International BHP Petroleum (Americas) Hamilton Oil*	100 100 51	mining energy energy	800E 321 1,121E	NA 21.9	NA 955
97	**Pakhoed Holding**	Netherlands	Univar*	35	chemicals	1,117	11.2	395
98	**Siebe Plc**	UK	Robertshaw Controls Ranco Siebe North Barber-Colman	100 100 100 100	auto controls electrical equipment safety equipment building controls	1,111	NA	NA
99	**Beecham Group Plc***	UK	Beecham Beecham Cosmetics Beecham Home Improv Prod Norcliff Thayer	100 100 100 100	drugs, consumer prods cosmetics, fragrances home improvement drugs	1,100	NA	1,050
100	**Robert Bosch, GmbH**	Germany	Robert Bosch	100	auto parts, machinery	1,100	NA	NA

*Publicly traded in the U.S. in shares or ADRs. E: Estimate. NA: Not available. Note: Some foreign investors on the list own U.S. companies indirectly through companies in italics.

THE 100 LARGEST U.S. MULTINATIONALS

Even among leftists, "multinational" is no longer a dirty word. As influential development economist Ralph Buultjens explains: "Within the past two or three years, major Marxist countries have discovered the virtues of multinational capitalism in reviving their stagnant economies" (FORBES, *June 27*). This changing mood—and, of course, the falling dollar—has helped these 100 largest U.S. multinationals recapture market share. Last year alone their aggregate sales climbed nearly 15%.

A number of these companies show healthy earnings leverage. Coca-Cola, for instance, has 26% of its assets outside the U.S., but the firm's $1.1 billion foreign operating profit represents 74% of total operating profits. Control Data earned 84.2% of its operating profits in foreign operations yet tied up only 27.6% of its assets overseas.

To rank as one of the 100 largest U.S. multinationals, a corporation had to generate foreign revenues in excess of $1 billion in 1987. Thirteen of the companies below derive more than half of their revenues overseas. The leaders are Exxon, 75.1%; Pan Am, 67.8%; and Gillette at 63.2%.

Others are catching up as "overseas" becomes synonymous with "growth potential." McDonald's, for example, is following PepsiCo and Coca-Cola in spreading American tastes throughout the world. Last year almost 30% of the fast-food giant's $4.9 billion total sales came from foreign operations, up from 23% in 1984.

Strong growth in the OECD countries continues to confound the economists. For 1988, OECD economists recently raised their growth forecast to 3%. But protectionism and other exogenous factors are always potentially dangerous. "The current trade bill will not have a cosmic impact on world trade," says Julie Sedky, vice president of Washington Analysis Corp./County Securities U.S.A., a division of the U.K.'s National Westminster Bank. But Sedky does worry that if President Reagan and Congress cannot reach a compromise on the existing bill, "we will get a more protectionist trade bill next year."

The fondness for Marxist solutions to economic problems in the developing world is still a threat, but a diminishing one. "Third World countries increasingly are realizing," says economist Buultjens, "that multinationals are one of the few sources of capital, technology and management skills that can be introduced with speed and without bureaucracy into their own economic arena."

1987 rank	Company	Foreign revenue (mil)	Total revenue (mil)	Foreign revenue as % of total	Foreign operating profit (mil)	Total operating profit (mil)	Foreign operating profit as % of total	Foreign assets (mil)	Total assets (mil)	Foreign assets as % of total
1	**Exxon**	$57,375	$76,416	75.1%	$3,301[1]	$4,840[1]	68.2%	$37,742	$74,042	51.0%
2	**Mobil**	31,633[2]	52,256[2]	60.5	1,238[3]	2,033[3]	60.9	20,110	41,140	48.9
3	**IBM**	29,280	54,217	54.0	3,330[1]	5,258[1]	63.3	34,468	63,688	54.1
4	**General Motors**	24,091	101,782	23.7	1,919[1]	3,551[1]	54.0	20,389	87,241	23.4
5	**Ford Motor** [4]	23,955	73,145	32.8	1,184[1]	4,625[1]	25.6	24,077	61,090	39.4
6	**Texaco**	17,120	34,372	49.8	863	–1,128	P-D	10,550	33,962	31.1
7	**Citicorp**	13,314	27,519	48.4	–2,293[1]	–1,138[1]	201.5	89,675[5]	198,683[5]	45.1
8	**EI du Pont de Nemours**	11,651[6]	30,468[6]	38.2	682[7]	2,100[7]	32.5	7,757	28,209	27.5
9	**Dow Chemical**	7,431	13,377	55.6	1,278	2,315	55.2	7,037	14,356	49.0
10	**Chevron**	5,905	26,015	22.7	2,006	3,313	60.5	6,947	34,465	20.2
11	**Procter & Gamble**	5,524	17,000	32.5	95[1]	327[1]	29.1	3,849	13,715	28.1
12	**Eastman Kodak**	5,265	13,305	39.6	815	2,132	38.2	5,014	14,451	34.7
13	**Chase Manhattan**	5,021	10,745	46.7	–1,438[1]	–895[1]	160.7	37,280	99,130	37.6
14	**ITT** [4]	4,891	19,525	25.0	384	1,278	30.0	5,908	39,983	14.8
15	**Xerox** [4]	4,852[2]	15,125[2]	32.1	182	575	31.7	5,691	23,462	24.3
16	**United Technologies**	4,713	17,170	27.4	252[1]	592[1]	42.6	3,913	11,929	32.8
17	**Philip Morris**	4,544	22,279	20.4	436	4,067	10.7	3,774	19,145	19.7
18	**Amoco**	4,400[2]	20,477[2]	21.5	517[1]	1,360[1]	38.0	5,734	24,827	23.1
19	**Digital Equipment**	4,373	9,389	46.6	913	1,672	54.6	3,089	8,407	36.7
20	**Unisys**	4,237	9,713	43.6	400	1,432	27.9	2,865	9,958	28.8

[1] Net income. [2] Includes other income. [3] Net income before corporate and net financing expenses. [4] Includes proportionate interest in unconsolidated subsidiaries and affiliates. [5] Average assets. [6] Includes excise taxes. [7] Operating income after taxes. [8] Includes export sales. [9] Pretax income. [10] Net income from continuing operations. [11] Net income before corporate expenses. D-P: Deficit over profit. P-D: Profit over deficit. NA: Not available.

1987 rank	Company	Foreign revenue (mil)	Total revenue (mil)	Foreign revenue as % of total	Foreign operating profit (mil)	Total operating profit (mil)	Foreign operating profit as % of total	Foreign assets (mil)	Total assets (mil)	Foreign assets as % of total
21	**Coca-Cola**	$4,185	$7,644	54.7%	$1,115	$1,499	74.4%	$2,176	$8,356	26.0%
22	**RJR Nabisco**	4,045	15,766	25.7	396	2,486	15.9	4,444	16,861	26.4
23	**Goodyear**	3,997	9,905	40.4	459	1,076	42.7	2,903	8,396	34.6
24	**Hewlett-Packard**	3,968	8,090	49.0	491	1,181	41.6	2,416	8,133	29.7
25	**American Intl Group**	3,875	11,278	34.4	586	1,111	52.7	10,855	27,908	38.9
26	**Johnson & Johnson**	3,845	8,012	48.0	806	1,406	57.3	2,944	6,546	45.0
27	**Tenneco**	3,834	14,790	25.9	234	735	31.8	4,642	18,503	25.1
28	**General Electric**	3,799[2]	40,515[2]	9.4	725	4,430	16.4	6,027	38,920	15.5
29	**Minn Mining & Mfg**	3,616[8]	9,429	38.3	649	1,578	41.1	2,459	8,031	30.6
30	**JP Morgan**	3,590	6,834	52.5	–411[1]	83[1]	D-P	39,095	75,414	51.8
31	**American Express**	3,525	17,768	19.8	–640[9]	687[9]	D-P	23,831	116,434	20.5
32	**Sears, Roebuck**	3,180	48,440	6.6	36[1]	1,649[1]	2.2	2,257	74,991	3.0
33	**Colgate-Palmolive**	3,161	5,647	56.0	130	294	44.2	1,453	3,228	45.0
34	**Bankers Trust New York**	3,156	5,693	55.4	–214[1]	1[1]	D-P	30,182	56,521	53.4
35	**NCR**	3,081	5,641	54.6	391	751	52.1	1,776	4,187	42.4
36	**BankAmerica**	3,051	9,753	31.3	–1,410[1]	–955[1]	147.6	29,159	92,833	31.4
37	**FW Woolworth**	3,037	7,134	42.6	174	491	35.4	1,466	3,299	44.4
38	**Motorola**	2,937	6,707	43.8	209	578	36.2	1,652	5,321	31.0
39	**American Brands** [4]	2,835	6,029	47.0	324	1,071	30.3	2,732	11,314	24.1
40	**Monsanto**	2,756	7,639	36.1	263	764	34.4	2,120	8,455	25.1
41	**Atlantic Richfield**	2,605	16,282	16.0	124[1]	1,224[1]	10.1	2,564	22,670	11.3
42	**Chrysler**	2,591	26,277	9.9	296	2,180	13.6	3,533	19,945	17.7
43	**Merck**	2,561	5,061	50.6	571[9]	1,423[9]	40.1	2,128	5,680	37.5
44	**K mart** [4]	2,546	27,318	9.3	NA	692[1]	NA	1,018	11,430	8.9
45	**Manufacturers Hanover**	2,533	7,757	32.7	–1,267[1]	–1,140[1]	111.1	25,091	73,348	34.2
46	**Aluminum Co of America**	2,521	7,767	39.6	385	677	56.9	4,205	9,902	42.5
47	**Pan Am**	2,437	3,593	67.8	103	–103	P-D	NA	2,216	NA
48	**Kraft**	2,335	9,876	23.6	230	910	25.3	1,001	4,888	20.5
49	**Pfizer**	2,268	4,920	46.1	399	1,034	38.6	2,380	6,923	34.4
50	**Caterpillar**	2,237	8,180	27.3	–16	743	D-P	1,555	6,866	22.6
51	**Sara Lee**	2,214	9,155	24.2	187[9]	632[9]	29.6	1,776	4,192	42.4
52	**CPC International**	2,213	4,903	45.1	264	500	52.8	1,729	3,261	53.0
53	**Cigna**	2,184	16,909	12.9	53	764	6.9	6,215	53,495	11.6
54	**Allied-Signal**	2,140	11,116	19.3	136[10]	515[10]	26.4	2,112	10,226	20.7
55	**Union Carbide**	2,136	6,914	30.9	48[1]	232[1]	20.7	2,875	7,892	36.4
56	**Unocal**	2,093[2]	8,696[2]	24.1	191[11]	444[11]	43.0	1,501	10,062	14.9
57	**GTE**	2,052	15,421	13.3	98[1]	1,119[1]	8.8	3,522	28,745	12.3
58	**Gillette**	2,001	3,167	63.2	342	535	63.9	1,680	2,731	61.5
59	**PepsiCo**	1,970	11,485	17.2	143	1,321	10.8	2,994	9,023	33.2
60	**HJ Heinz**	1,859	4,639	40.1	220	593	37.1	1,383	3,364	41.1

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The 100 largest U.S. multinationals

1987 rank	Company	Foreign revenue (mil)	Total revenue (mil)	Foreign revenue as % of total	Foreign operating profit (mil)	Total operating profit (mil)	Foreign operating profit as % of total	Foreign assets (mil)	Total assets (mil)	Foreign assets as % of total
61	**Occidental Petroleum**	$1,836[2]	$17,746[2]	10.3%	$189[1]	$184[1]	102.7%	$1,913	$16,739	11.4%
62	**Texas Instruments**	1,765	5,595	31.5	93[1]	257[1]	36.2	1,202	4,256	28.2
63	**TRW**	1,755	6,821	25.7	144	589	24.4	1,397	4,378	31.9
64	**Bristol-Myers**	1,754	5,401	32.5	293	1,191	24.6	1,240	4,732	26.2
65	**WR Grace**	1,711	4,515	37.9	223	438	50.9	1,242	4,474	27.8
66	**Bank of Boston**	1,652	4,269	38.7	–213[1]	20[1]	D-P	6,212[5]	31,220[5]	19.9
67	**SmithKline Beckman**	1,651	4,329	38.1	274	921	29.8	1,566	4,446	35.2
68	**Kimberly-Clark**	1,631	4,885	33.4	137[1]	325[1]	42.2	1,299	3,886	33.4
69	**Warner-Lambert**	1,621	3,485	46.5	340	866	39.3	1,104	2,476	44.6
70	**Phillips Petroleum**	1,615	10,721	15.1	492	1,091	45.1	2,227	12,111	18.4
71	**Chemical New York**	1,611	6,628	24.3	–1,209[1]	–854[1]	141.6	20,328	78,189	26.0
72	**Security Pacific**	1,602	7,618	21.0	–475[1]	16[1]	D-P	17,214	72,838	23.6
73	**American Cyanamid**	1,548	4,166	37.2	143[1]	276[1]	51.8	1,055	4,129	25.6
74	**American Standard**	1,520	3,400	44.7	180	286	62.9	1,026	2,398	42.8
75	**PPG Industries**	1,515	5,183	29.2	203	778	26.1	1,443	4,988	28.9
76	**American Home Products**	1,492	5,028	29.7	279	1,285	21.7	1,385	4,608	30.1
77	**McDonald's**	1,456[2]	4,894[2]	29.8	127[1]	549[1]	23.1	2,473	6,982	35.4
78	**Abbott Laboratories**	1,453	4,388	33.1	251	1,028	24.4	1,007	4,386	23.0
79	**Scott Paper** [4]	1,423	4,522	31.5	134[9]	545[9]	24.6	1,352	4,645	29.1
80	**Sun Co**	1,409	8,691	16.2	64[3]	389[3]	16.5	2,624	12,580	20.9
81	**Trans World Airlines**	1,388	4,056	34.2	114[9]	108[9]	105.6	1,457	4,224	34.5
82	**Honeywell**	1,375	6,679	20.6	159	582	27.3	1,191	5,285	22.5
83	**Allegis**	1,360	8,293	16.4	NA	335[1]	NA	NA	8,226	NA
84	**Deere**	1,345	4,135	32.5	–5	–121	4.1	1,020	4,760	21.4
85	**Rockwell International**	1,325	12,123	10.9	165	1,342	12.3	1,425	8,739	16.3
86	**Eli Lilly**	1,310	3,644	35.9	227[9]	598[9]	38.0	1,697	5,255	32.3
87	**Kellogg**	1,302	3,793	34.3	92[1]	396[1]	23.2	1,248	2,681	46.5
88	**Quaker Oats**	1,294	4,421	29.3	120	449	26.7	584	3,250	18.0
89	**Ralston Purina**	1,258	5,868	21.4	110	1,205	9.1	710	3,864	18.4
90	**Baxter Travenol**	1,239	6.223	19.9	233	799	29.2	1,100	7,638	14.4
91	**Emerson Electric**	1,233	6,170	20.0	146	812	18.0	942	4,868	19.4
92	**Avon Products**	1,219	2,763	44.1	190[9]	385[9]	49.4	695	2,559	27.2
93	**AMP**	1,212	2,318	53.4	158[1]	250[1]	63.2	1,023	2,082	49.1
94	**Merrill Lynch**	1,182	10,659	11.1	12[9]	429[9]	2.8	6,849	55,193	12.4
95	**Borden**	1,159	6,514	17.8	121	614	19.7	931	4,157	22.4
96	**Dresser Industries**	1,154	3,120	37.0	88	57	154.4	848	2,882	29.4
97	**Control Data**	1,119	3,367	33.2	48	57	84.2	728	2,639	27.6
98	**Westinghouse Electric**	1,107	10,679	10.4	80	937	8.5	690	9,953	6.9
99	**Schering-Plough**	1,104	2,699	40.9	168	550	30.5	865	3,180	27.2
100	**Continental Corp**	1,060	5,801	18.3	29	261	11.1	2,445	11,725	20.9

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100 U.S.-TRADED FOREIGN STOCKS

HOW FAR WE'VE come. "Today's investor," explains S.G. Warburg & Co. Managing Director Charles Symington, "automatically thinks of international diversification."

Most Americans are best advised to buy foreign stocks in the form of American Depositary Receipts. Joseph Velli, the head of the Bank of New York's ADR division, points out that foreign custodial fees can eat up from 15 to 25 basis points of the assets' value a year. Voting is cumbersome, and it can take around 30 days after a dividend is paid or a security is sold before one's account is credited.

ADRs remove a lot of the hassle. A big U.S. broker such as Merrill Lynch will buy, say, 1 million shares of Kubota from Japan and deposit the Kubota share certificates with the correspondent ADR custodian bank in Japan. Then, in place of these shares, an American depositary bank such as Morgan Guaranty will issue an ADR to the broker. ADRs are often issued in some multiple of the underlying shares.

ADRs, quoted in dollars, offer better liquidity for U.S. investors. Companies must generally conform to most U.S. accounting standards. Dividends are paid in dollars, and ADRs are cleared and settled in five days, like any U.S. security. (The 30 foreign stocks below that are not ADRs have the legal characteristics of U.S. securities.)

This year we have included analysts' consensus estimates of 1988 earnings, provided by Lynch, Jones & Ryan's Institutional Brokers Estimate System (IBES). For those companies where estimates are available, more than 80% should show higher earnings in 1988.

Thanks to the arbs, the price of an ADR or a foreign stock traded here reflects what's happening to exchange rates and in the security's home market. Last year, for example, some investors thought Jaguar was a safe play: If the pound rose, so would the ADR's dollar price; if the pound fell, Jaguar's foreign earnings would lift profits. But the London market apparently feared the rising pound would hurt business. Jaguar ADRs are off 44% from last year. Such are the potential pitfalls of buying abroad.

			Price		EPS			
Exch	Company/business	Country	recent	52-week high low	1987	1988 est[1]	Latest 12-month P/E	Yield
o	•**AEGON NV**/insurance	Netherlands	41¾	49½–25⅞	$4.62	$5.51	9.0	3.9%
a	**Amer Israeli Paper Mills**/paper products	Israel	13⅜	26½–13⅜	1.96	2.00	6.8	2.4
o	**Aneco Reinsurance**/insurance	Bermuda	3⅛	4¼– 2⅛	0.73	NA	4.3	0.0
o	•**Anglo Amer Corp S Afr**/gold, diamonds	South Africa	15⅞	28⅜–14¾	3.25†	NA	4.9	5.7
o	•**Anglo Amer Gold Inv**/invest precious mtls	South Africa	7⅞	12⅞– 7⅛	0.75†	NA	10.5	7.0
n	**ASA Limited**/closed-end invest co	South Africa	44⅜	72⅞–40⅛	3.67	3.85	12.1	12.4
n	**Ausimont NV**/specialty chemicals	Netherlands	34¼	35 –10	1.91	2.21	17.9	1.8
n	•**Barclays**/bank	UK	29½	37¼–25⅜	1.95	5.69	15.1	6.4
a	•**B.A.T Industries**/tobacco, paper prods	UK	7⅝	11⅝– 6¾	0.99	1.16	7.7	4.3
o	•**Beecham Group**/drugs, food process	UK	16¼	19¼–11⅜	0.63	1.22	25.8	1.9
n	**Benguet**/gold & copper, machinery	Philippines	4⅝	8⅞– 2½	0.31	NA	9.8	2.9
o	**Biogen NV**/biotechnology	Netherlands	6¾	11¾– 3¾	–1.02	–0.36	NM	0.0
o	•**Blyvooruitzicht Gold Mining**/gold, uranium	South Africa	4¾	8⅜– 4⅝	0.97	0.89	4.9	12.4
o	•**Bowater Industries**/paper products	UK	7	9¾– 5¼	0.69	NA	10.1	5.4
n	•**British Airways**/airline	UK	26¼	37½–22⅛	3.95	4.12	6.6	5.5
n	•**British Petroleum**/integrated oil	UK	56⅝	80⅜–44⅞	4.92	5.26	11.5	5.5
n	•**British Telecommunications**/telecomm	UK	42⅞	50 –35	4.46	4.65	9.6	4.0
n	•**Broken Hill Proprietary**/steel, oil & gas prod	Australia	27½	32½–16½	1.76e	2.06	17.2	3.3
o	•**Buffelsfontein Gold Mining**/gold, uranium	South Africa	16¾	24¾–16¼	3.27	2.67	5.1	13.9
o	•**Burmah Oil**/oil	UK	40¾	43½–23⅛	3.12	NA	13.1	3.3

a: American Stock Exchange. n: New York Stock Exchange. o: over-the-counter. •American Depositary Receipts. NA: Not available. NM: Not meaningful. e: estimate. †1986 result. [1]Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Lotus CD/Investment.

			Price		EPS		Latest	
Exch	Company/business	Country	recent	52-week high low	1987	1988 est[1]	12-month P/E	Yield
o	•**Cadbury Schweppes**/food processing	UK	73¾	77¼– 34	$3.56	$3.79	20.7	2.2%
o	**non**/precision instruments	Japan	48¼	54 – 28¾	0.88	1.10	54.8	0.7
	Commodore Intl/computer equip	Bahamas	10⅞	11⅝– 6¼	0.71	1.45	9.1	0.0
	•**Courtaulds**/textiles	UK	6⅜	8½– 4¾	0.77	NA	8.3	2.7
o	•**De Beers Cons Mines**/diamonds	South Africa	11⅞	17⅝– 7⅞	1.46	1.60	8.1	3.8
o	•**Dresdner Bank**/bank	Germany	136¾	204½–126	19.54	10.59	7.0	3.2
o	•**Driefontein Consolidated**/gold	South Africa	10½	15¼– 9¼	1.26	NA	8.3	7.0
o	•**Elan**/biotechnology	Ireland	9	23 – 6¾	–0.24	0.43	NM	0.0
o	**Elbit Computers**/computer equipment	Israel	4⅛	10¾– 4⅛	0.92	NA	4.5	2.2
n	**Erbamont NV**/drugs	Neth Antilles	28	31⅞– 15½	2.10	2.36	13.3	2.1
o	•**LM Ericsson Tel**/telecommunications	Sweden	40⅜	43⅝– 25¼	2.96	3.34	13.6	3.2
a	**Etz Lavud**/wood & plastic prods	Israel	4¾	11⅜– 3¾	1.06†	NA	2.7	0.0
o	•**Fisons**/drugs	UK	19	26⅛– 15½	1.31	NA	14.5	1.6
o	•**Free St Con Gold Mines**/gold mining	South Africa	9	19⅝– 8½	3.61	1.90	2.5	12.3
o	•**Fuji Photo Film**/photo products	Japan	59¼	68⅜– 44½	2.68	3.10	22.1	0.3
o	•**Gambro AB**/health care equip	Sweden	18⅜	22 – 13¼	0.93	NA	20.0	0.9
n	•**Glaxo Holdings**/drugs, food, med eq	UK	17	30⅝– 15¾	1.08	1.35	13.2	2.6
o	**Gold Fields So Afr**/gold mining	South Africa	18	31⅝– 13⅝	1.68	1.91	10.7	3.9
o	**Gotaas Larsen Shipping**/maritime	Bermuda	35	36¼– 18¼	2.76	3.74	12.7	0.8
n	•**Hanson Trust**/tobacco, food, retail	UK	12½	16 – 9	1.10	1.39	11.4	4.4
a	•**Hard Rock Intl**/restaurants	UK	7⅝	12⅝– 5⅛	0.45	0.50	15.9	2.1
n	•**Hitachi**/electrical equipment	Japan	110⅜	120½– 69¼	3.50	3.45	31.5	0.5
n	•**Honda Motor**/autos, motorcycles	Japan	132¾	147⅞– 78	7.85	7.68	16.9	0.6
o	•**Huntingdon Intl Holdings**/lab services	UK	22¾	28 – 11	1.34	0.75	14.4	0.0
n	•**Imperial Chemical Inds**/chemicals	UK	75½	108⅛– 66½	8.53	9.26	8.9	5.3
o	•**Instrumentarium**/health care equip	Finland	14⅜	14¾– 11⅜	0.98	1.38	14.7	1.5
o	**InterPharm Labs**/biotechnology	Israel	3¼	4⅛– 2¾	–0.25†	NA	1.7	0.0
o	•**Jaguar**/automobiles	UK	4⅞	9⅞– 4⅜	0.63	0.72	7.7	4.5
o	**Japan Air Lines**/airline	Japan	224½	275 –166¼	–0.37e	0.68	NM	0.2
n	**KLM Royal Dutch Airlines**/airline	Netherlands	18¼	27¾– 13¼	3.34e	3.37	5.3	4.1
o	•**Kloof Gold Mining**/gold mining	South Africa	9⅝	16⅛– 8⅞	0.69	0.71	13.9	1.0
n	•**Kubota**/agricultural equip, pipe	Japan	121	121 – 77	1.30	NA	69.5	0.8
n	•**Kyocera**/ceramics, electronics, optics	Japan	83½	98¾– 58½	2.19e	2.71	52.2	0.7
a	**Laser Industries**/health care equip	Israel	3⅞	15⅜– 3¾	0.80	1.10	10.2	0.0
o	•**LVHM***/luxury goods	France	84¼	91 – 38¾	4.49	4.87	18.8	0.3
o	•**Makita Electric Works**/electrical equip	Japan	66½	75¼– 40	2.54e	2.69	50.4	0.8
n	•**Matsushita Electric Indl**/electronics	Japan	197⅜	228 –103¼	6.73	8.23	29.3	0.3
o	•**Minorco**/invsts foreign mines	Bermuda	13¾	17⅞– 9¼	0.51	NA	12.7	2.0
n	•**Natl Westminster**/bank	UK	30⅝	38⅝– 25	3.18	NA	9.7	4.9
o	•**NEC**/telecomm equipment	Japan	82¼	91⅞– 55½	0.90e	1.43	NM	0.3

a: American Stock Exchange. n: New York Stock Exchange. o: over-the-counter. •American Depositary Receipts. NA: Not available. NM: Not meaningful. e: estimate. *Formed by merger, full name LVHM Moët Hennessy Louis Vuitton. †1986 result. [1]Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Lotus CD/Investment.

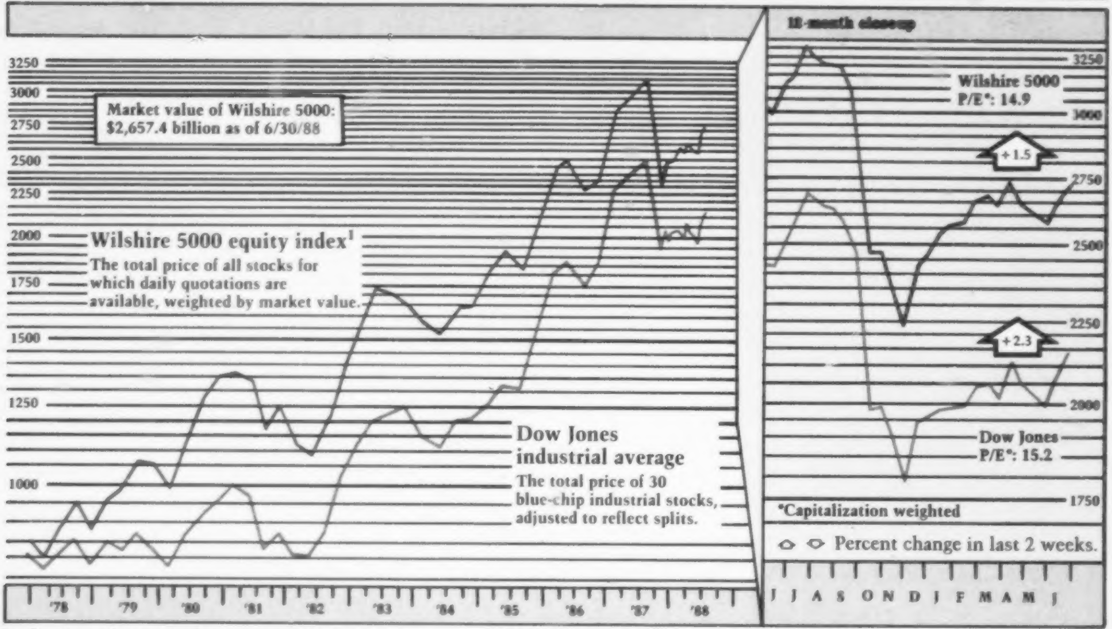
100 U.S.-traded foreign stocks

			Price		EPS		Latest 12-month	
Exch	Company/business	Country	recent	52-week high low	1987	1988 est[1]	P/E	Yield
n	•**News Corp**/newspapers, broadcasting	Australia	19	35⅝–12¼	$1.68	$1.83	9.8	0.5%
o	•**Nissan**/automobiles	Japan	15½	16⅛– 8¾	0.18	0.31	NM	1.1
n	•**Norsk Hydro AS**/energy, chemicals	Norway	32⅛	39⅜–19	3.44	4.35	9.3	2.6
n	•**Novo Industri AS**/drugs	Denmark	30⅞	40⅞–17¼	3.07	3.16	10.1	1.7
o	•**Oce-van der Grinten**/copying equip	Netherlands	22¼	45⅜–16½	2.79	2.85	8.0	3.9
o	**Optrotech**/electro-optical sys	Israel	3⅝	6½– 3½	0.55	0.45	6.6	0.0
o	•**Pacific Dunlop**/multicompany	Australia	14⅝	18⅜– 8½	0.85	0.94	17.2	4.0
o	•**Pharmacia AB**/health care equip	Sweden	21⅛	30¼–15	1.05	1.34	20.1	0.9
n	**Philips NV**/elec equip, electronics	Netherlands	15	27⅜–12⅝	1.88	1.63	8.0	6.0
n	•**Pioneer Electronics**/electronics	Japan	48	54⅞–29¾	0.91	1.37	38.1	0.5
o	•**Rank Organisation**/leisure services, mfg	UK	12⅝	13¾– 8⅜	1.10	NA	11.5	3.3
o	•**Reuters Holdings**/intl news services	UK	28⅞	91⅜–25	1.47	1.80	19.6	1.6
o	•**Rodime**/computer equip	UK	2¾	9¾– 1½	–2.40	0.25	NM	0.0
n	**Royal Dutch Petroleum**/integrated oil	Netherlands	115	141 –94⅜	12.92	12.51	8.3	5.8
n	•**Saatchi & Saatchi**/advertising	UK	20¼	34⅜–16½	2.15	2.56	8.7	4.8
o	•**St Helena Gold Mines**/gold	South Africa	8½	20¾– 8	0.88	1.29	9.7	8.5
a	**San Carlos Milling**/sugar	Philippines	3⅞	4⅞– 1½	–0.08†	NA	NM	1.8
o	**Santos** /oil & gas	Australia	14	19⅝– 8⅝	1.18	1.01	11.9	2.1
o	**Sanyo Electric**/electronics	Japan	25⅜	25⅞–14⅛	–0.90	0.13	NM	0.9
n	**Schlumberger**/oilfield svcs, electronics	Neth Antilles	35½	51 –26	1.02	1.69	34.8	3.4
n	**Sea Containers**/maritime	Bermuda	22¾	30½–12	2.16	4.81	10.5	1.1
n	**Shell Trans & Trading**/integrated oil	UK	75⅞	98⅛–67	6.24	7.10	11.3	6.3
o	•**SKF AB**/bearings & steel prods	Sweden	45⅛	62 –32¼	4.69	4.09	9.6	3.8
n	•**Sony**/electronics	Japan	40¼	45¼–21⅝	1.19	1.47	33.8	0.7
n	**Syntex**/drugs	Panama	40⅞	48¾–23	2.07	2.51	17.0	3.2
n	•**TDK**/audio- and videotape	Japan	69	78½–51½	2.26	2.48	30.5	0.8
o	•**Teva Pharmaceutical**/drugs	Israel	5⅝	12 – 4¾	0.72†	NA	7.6	2.1
o	•**Tokio Marine & Fire Ins**/insurance	Japan	76¾	85⅞–48⅛	1.33e	1.40	68.5	0.2
o	•**Toyota Motor** /automobiles	Japan	36	39¼–21½	1.34	1.68	26.9	0.6
a	•**Tubos de Acero de Mexico**/steel	Mexico	3½	11⅞– 1⅞	–0.35	NA	NM	0.0
n	**Unilever NV**/multicompany	Neth Antilles	54¼	73½–38	5.05	5.56	10.7	3.5
n	**Unilever Plc**/multicompany	UK	32⅞	47½–28⅜	3.03	3.22	10.8	3.1
o	•**United Newspapers**/publishing	UK	15	22½–12⅝	1.35	1.45	11.1	5.3
o	**Universal Furniture**/furniture	Hong Kong	15½	20 –10¼	1.18	1.48	12.3	0.8
o	•**Vaal Reefs Expl & Mining**/gold	South Africa	8⅛	15¼– 7¾	0.78	0.92	10.4	9.1
o	**Velcro Inds NV**/fastening tapes	Netherlands	14¼	24½– 9½	1.04	2.00	12.5	6.5
o	•**Volvo AB**/automobiles	Sweden	56⅜	68¼–38⅜	9.12	8.06	6.5	2.7
o	•**WCRS Group**/advertising	UK	9¼	10¼– 6⅜	0.75e	0.95	14.9	0.6
o	•**Western Deep Levels**/gold	South Africa	33½	72½–32¾	2.55	2.96	13.1	6.0
o	•**WPP Group**/advertising	UK	20⅛	20⅞–14¾	0.55	1.51	36.6	1.3

a: American Stock Exchange. n: New York Stock Exchange. o: over-the-counter. •American Depositary Receipts. NA: Not available. NM: Not meaningful. e: estimate. †1986 result. [1]Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Lotus CD/Investment.

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Is the "sentiment" always wrong? Better hope so, in light of what the indicator from *Investors Intelligence* in New Rochelle, N.Y. is saying. The newsletter monitors the bullishness and bearishness of 135 investment advisers. Recently, 50.4% were bearish, versus a long-term norm of 33%. A lot of bearishness among these pros is taken as a bullish signal. Why this paradox? According to the newsletter's editor, Michael Burke, "Money managers are holding a lot of cash" because of their pessimism, and this cash has to find its way back into the market sometime. Contrariwise, last August the sentiment indicator showed that only 19.2% of investment advisers were bearish and 60.8% were bullish. (The rest were on the fence.)

With a 1.6% gain in the last two weeks of June, the Dow has now recovered 40% of the ground it lost between August and October. Historical note: Following the October 1929 crash, the Dow recovered 52% before resuming its collapse.

Closeup On the Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 2 weeks	1.5	1.5	2.3	1.3	0.7	2.0
in last 52 weeks	–9.6	–10.2	–12.1	–10.1	–9.0	–7.3

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 2 weeks	3.9	4.9	9.5	2.1	4.6	4.5	4.0	7.7	7.3	3.4	4.2	3.6
in last 52 weeks	–4.1	17.6	22.3	5.5	–1.5	1.0	1.8	25.0	21.3	5.3	–0.4	13.0

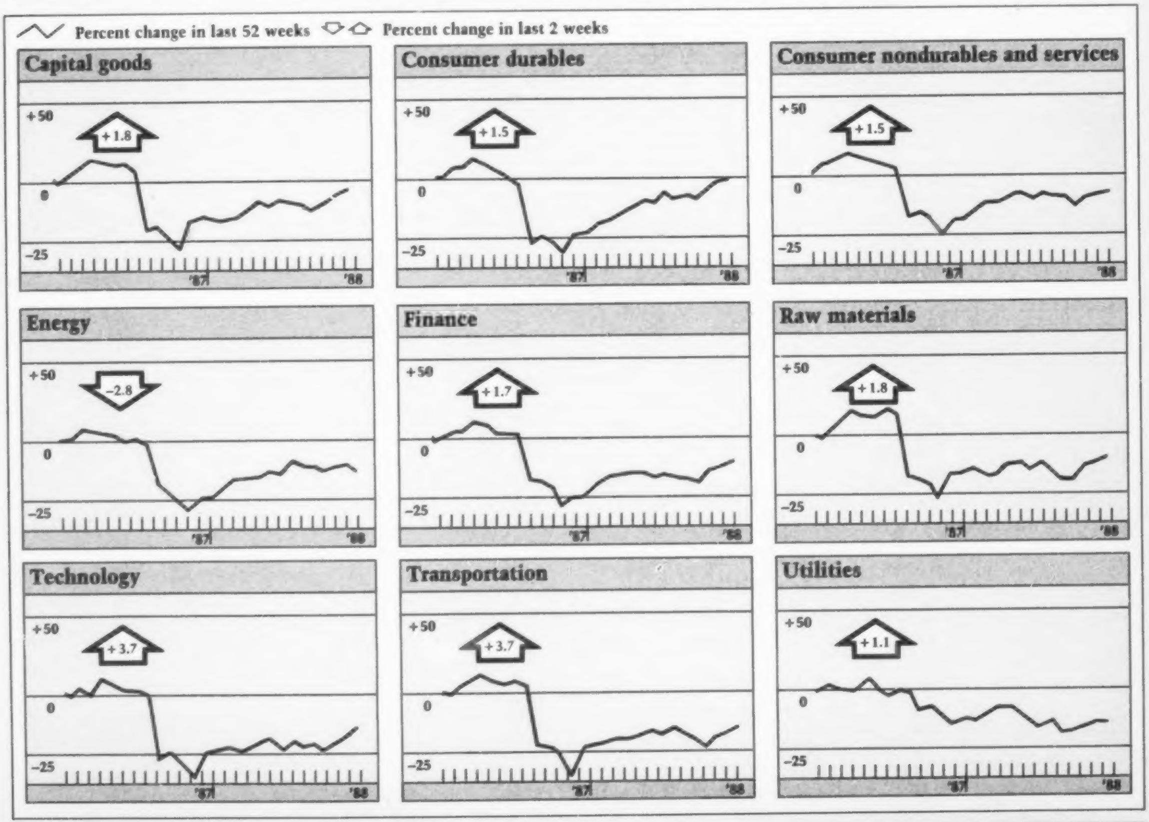
[1] Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2] Based on sales. [3] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 6/30/88. Prepared by Wilshire Associates, Santa Monica, Calif.

Steven Ramos

Where the Action Is

Going nowhere on a full tank. The abundance of oil is undercutting efforts by the world's oil producers to curtail production and support higher prices. Had the U.S. not deregulated its energy market in 1981, oil prices would quite possibly be much higher and supplies much lower than they now are. But the free market that has been tonic to consumers has been tough on most of the energy industry. During the last two weeks energy stocks declined 2.8%, while the eight other Wilshire groups posted respectable gains. Dresser Industries fell 14.7%, and Ocean Drilling & Exploration lost 12%. Quaker State, Chevron and Phillips Petroleum fell around 9%. A few of the larger energy stocks bucked the trend: Transco Energy was up 9.1% and Ashland Oil, 5.5%.



What the Analysts Think

Ford versus GM. Analysts raised 1988 earnings estimates for consumer durables, raw materials and energy during the last two weeks. Both Ford and GM were upgraded with higher forecasts. Analysts now expect Ford common to earn $5 billion in 1988; GM common, $3.2 billion. For the remaining six Wilshire sectors, forecasts were lowered.

Forecasting the Forbes Sales 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.69	14.5
1988 estimates	3.55	10.9
1989 estimates	3.93	9.9

Rank based on change in estimate	Sector	Estimated 1988 EPS	Estimated 1988 P/E	% change in 1988 estimate in 2 weeks	% change in 1988 estimate in 4 weeks
1	Consumer durables	$4.43	11.6	1.27%	1.90%
2	Raw materials	3.02	10.8	0.73	1.27
3	Energy	3.03	12.3	0.47	1.57
4	Capital goods	2.59	14.9	−0.05	0.72
5	Technology	2.88	12.5	−0.08	0.05
6	Utilities	2.41	10.1	−0.09	−0.15
7	Consumer nondurables	2.49	13.2	−0.23	−0.38
8	Finance	3.43	8.3	−0.46	−0.62
9	Transportation	2.45	11.5	−1.10	−1.14

Earnings projections are capitalization-weighted consensus estimates from over 3,000 security analysts. Data are compiled and updated continually by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 6/30/88. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

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1

Capital Preservation

Dec. 31 S&P 500 stock index in 1987 dollars
300
200
100
80
60
40
S&P 500 annual dividend payments in 1987 dollars
30
20
10
8
6
4
Real stock prices
Real dividends

The value of stocks

Are stocks a good storehouse of value? An inflation hedge? A reliable source of income? The answer is a qualified yes—as the generally upward trend of this chart indicates. The two lines below show year-end values of the S&P 500 stock average and annual dividend payouts on the 500, both adjusted for inflation. Dividends have kept ahead of inflation, but in recent years not very far ahead. Stock prices are, in real terms, about where they were 25 years ago. That doesn't mean they are cheap now, because they weren't cheap then; in the early 1960s Wall Street was near the culminating stages of a 20-year bull market. Moreover, current dividend yields average 3.8%—historically low. Conclusion: At current prices most stocks are a good but not great investment.

□ Stock yield (dividend on S&P 500 divided by index at end of year)
▨ Moody's AAA bond yield

1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941
5.1	4.4	3.5	4.5	6.4	10.1	7.3	4.4	4.7	3.5	4.2	7.6	3.9	5.0	6.3	8.2
4.7	4.6	4.6	4.8	4.6	4.6	5.0	4.5	4.0	3.6	3.2	3.3	3.2	3.0	2.8	2.8

1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957
6.0	5.2	4.8	3.8	4.6	5.5	6.1	6.8	7.2	5.9	5.3	5.8	4.3	3.6	3.7	4.5
2.8	2.7	2.7	2.6	2.5	2.6	2.8	2.7	2.6	2.9	3.0	3.2	2.9	3.1	3.4	3.9

1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973
3.2	3.1	3.4	2.8	3.4	3.0	2.9	2.9	3.6	3.0	3.0	3.4	3.4	3.0	2.7	3.5
3.8	4.4	4.4	4.4	4.3	4.3	4.4	4.5	5.1	5.5	[illegible]	7.8	8.0	[illegible]	7.2	7.4

1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988*
5.2	4.1	3.8	4.9	5.3	5.2	4.5	5.4	4.9	4.3	4.5	3.7	3.4	3.6	3.8
8.6	8.8	8.4	8.0	8.7	9.6	11.9	14.2	13.8	12.0	12.7	11.4	9.0	9.4	9.9

* Estimate as of May 27. Sources: *Standard & Poor's Statistical Service;* Moody's Industrial Manual

18

THE COMEBACK IN CHEMICALS—
THIS UPTURN HAS STAYING POWER

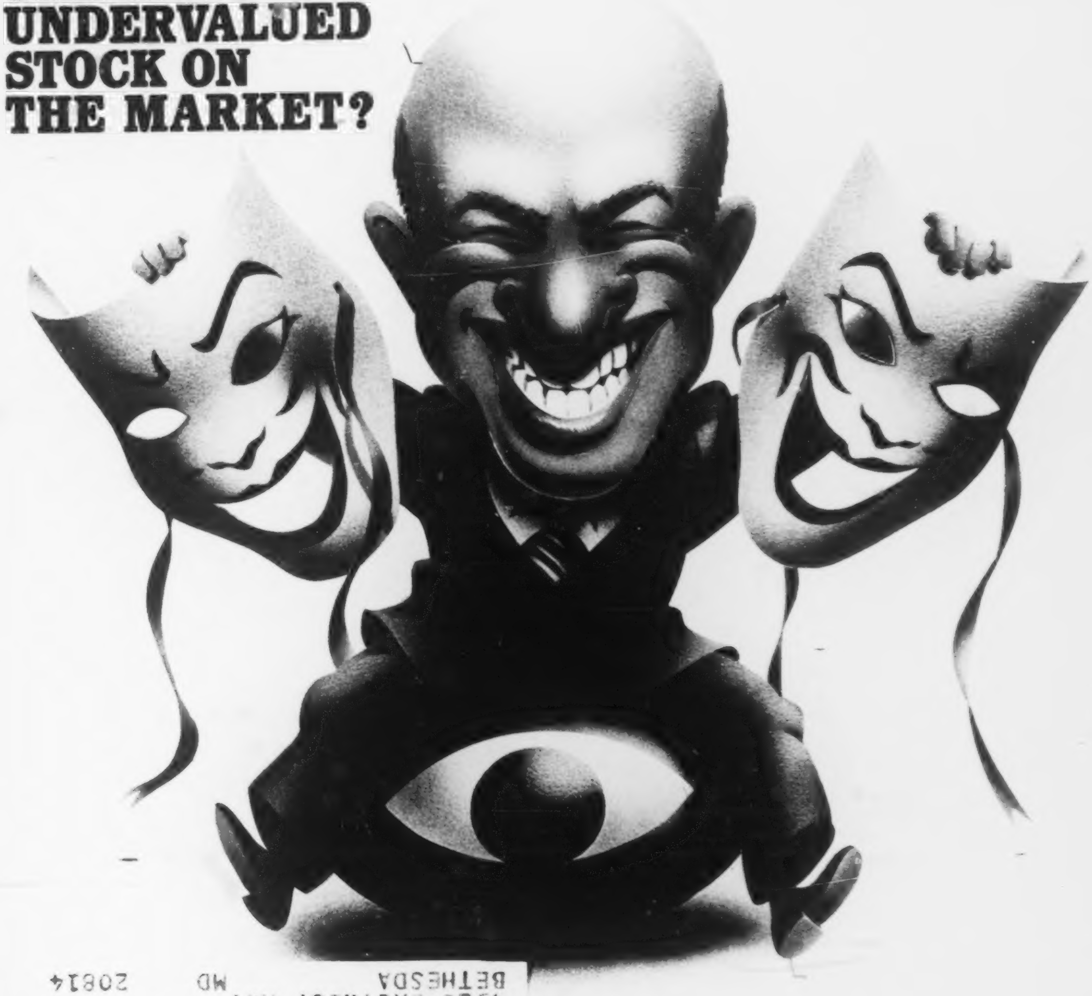
NEW GROWTH PROSPECTS FOR
AN OLD STAPLE—HEROIN

[illegible] THREE DOLLARS SEVENTY-FIVE [illegible]

Forbes

LARRY TISCH'S CBS

THE MOST UNDERVALUED STOCK ON THE MARKET?



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Forbes

Cover illustration by Gary Hallgren

AUGUST 8, 1988
VOLUME 142
NUMBER 3

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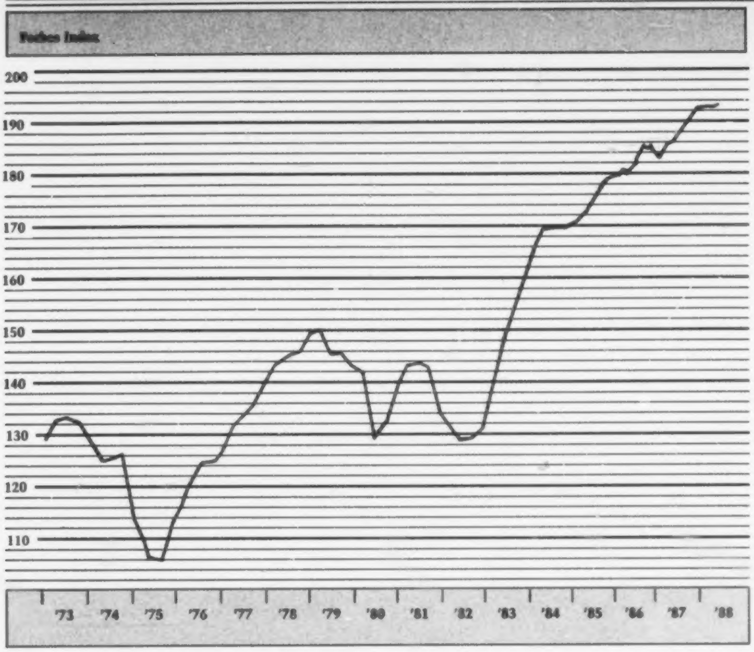
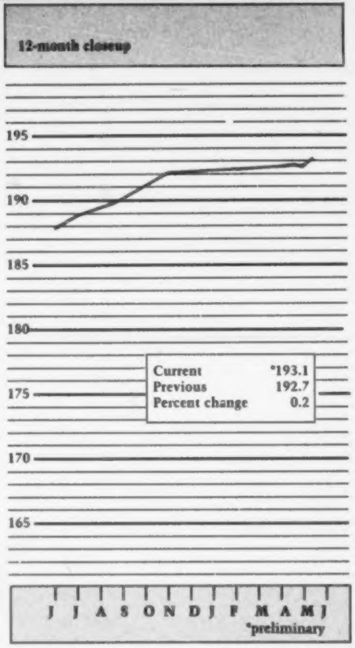
The Forbes Index





Current	*193.1
Previous	192.7
Percent change	0.2

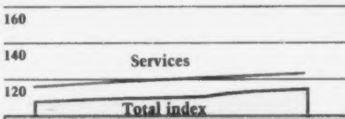
*preliminary

Do we really want a strong dollar? American manufacturers have been reaping the benefits of a relatively strong domestic economy and an improving export market. But things could get tougher in the months ahead if the dollar continues to strengthen. For the moment the economy seems healthy. New claims for unemployment benefits declined in June to their lowest monthly total since last November. The 5.3% unemployment rate recorded in June was the best figure in 14 years, and it may be hard to beat. That's because of rising interest rates and pressure from organized labor for a minimum wage increase. Industrial production rose 0.4% in June and stands 2% above its level at the beginning of the year. Consumer installment credit hit a record $636 billion in May.

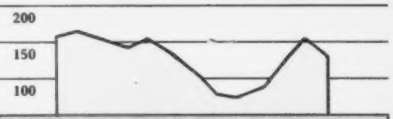
The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

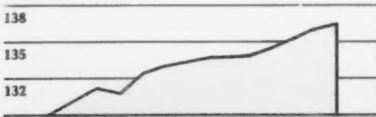
To measure these eight elements, Forbes monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



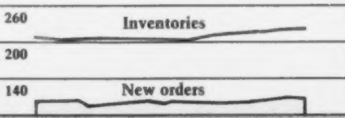
Consumer price indexes (1982-1984 average = 100) all urban consumers, unadjusted (Dept. of Labor)



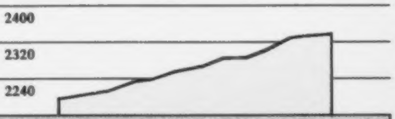
New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)



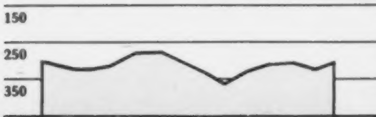
Industrial production index (1967 = 100) seasonally adjusted (Federal Reserve)



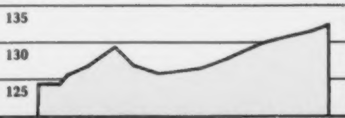
Manufacturers' new orders and inventories ($billions) seasonally adjusted (Dept. of Commerce)



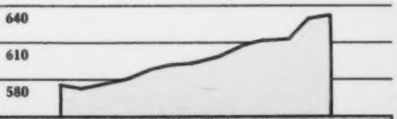
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)



Retail store sales ($billions) seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

Fire at Shell's Norco, La. ethylene plant
Making an ethylene-tight market even tighter.

McCusker-Times-Picayune/SIPA

Chemical industry assets are changing hands at much higher valuations than what the stock market says the companies are worth. What gives?

Good chemistry

By Howard Rudnitsky

In June General Electric shelled out over $2 billion for Borg-Warner's engineered plastics subsidiary. That priced the company at about 12 times its free cash flow—its cash flow after capital expenditures. Around the same time, some Koppers Co. executives and Gordon Cain, now of Sterling Group, took Koppers' chemicals business private for $660 million, around 10 times the assets' free cash flow.

These are hefty prices to pay in a highly cyclical industry, but they seem to represent a trend. Earlier this year Occidental Petroleum's Armand Hammer paid $1.25 billion for Gordon Cain's $1.2 billion (estimated revenues) Cain Chemical; Oxy also assumed $830 million of Cain's debt. Gordon Cain, 76, started the company only last year and pocketed around a $100 million profit on a $2 million investment.

Why are chemical producers changing hands, often at multiples well above those of publicly traded chemical stocks? Basically because managements believe commodity chemicals are an attractive business, and the cyclical industry seems set for a longer up cycle than expected.

"Things are tight right now in a number of chemical products," reports Dow Chemical Chief Executive Officer Frank Popoff. "The industry clearly needs more capacity, because demand is growing as fast as supply." Popoff's company could earn a record $2.1 billion—$12 a share. In 1984 Dow earned just $524 million—$2.70 a share.

As the chart *(see p. 38)* shows, commodity chemicals' costs have fallen, while prices have recovered smartly from the early 1980s. Back then a combination of inflated energy prices, substantial new capacity and a deep recession all combined to cut chemical company earnings by as much as 80% from their peak earning levels.

Now the earnings have recovered smartly. This is usually the time for huge overbuilding, new price-cutting and another cyclical downturn. Indeed, there has been a spate of capacity addition announcements through 1991: capacity growth of 20% for

Basic chemistry

Earnings for commodity chemicals are near record levels. Stock prices are up, but many chemical stocks still trade at sizable discounts to earnings and cash flow, relative to the rest of the market.

Company	Revenue 1987 ($mil)	Market value ($mil)	EPS 1987	Est EPS 1988[1]	Est P/E 1988	Est cash flow per share[1]	Est price/cash flow 1988	Price as of 7/15/88	52-week range high–low	Recent yield
MAJORS										
Dow Chemical	$13,377	$17,241	$6.47[2]	$12.00	7.5	$17.25	5.2	90⅛	110–60	3.1%
Du Pont	30,468	21,313	7.39	9.25	9.6	20.60	4.3	89¼	131–75	4.2
Imperial Chemical	18,242	12,243	8.50	9.75	7.5	14.94	4.9	72⅞	108–67	5.5
Monsanto	7,639	6,443	5.63	8.30	10.8	17.72	5.1	90⅛	100–57	3.3
Union Carbide	6,914	3,263	2.16[2]	4.50	5.4	8.48	2.9	24⅜	33–16	3.2[3]
OTHERS										
Aristech	919	877	2.71	5.60	6.1	6.69	5.1	34	39–17	2.3
Georgia Gulf	707	975	6.30	12.00	6.2	13.22	5.6	73⅞	76–28	1.6
BF Goodrich	2,168	1,320	3.17[2]	6.10	8.7	10.94	4.8	53	65–28	3.2
Himont	1,165	2,738	3.77	5.00	8.4	5.94	7.1	42	54–23	2.8
Quantum	2,567	2,639	4.38[2]	13.50	7.5	21.35	4.8	101½	105–49	2.1
Vista Chemical	609	609	2.60[2]	7.50	7.9	10.56	5.6	59¼	61–20	0.8

[1] Source: Mabon, Nugent. [2] Excludes extraordinary gain or loss. [3] Based on quarterly dividend of 20 cents, effective 9/1/88.

polyethylene, 19% for polyvinyl chloride and 9% for polystyrene. Recently Phillips Petroleum announced it will spend $350 million for a 1.5-billion-pound ethylene expansion, to come on stream sometime in 1990.

But don't take all these announcements literally. Says Gordon Cain: "Don't believe everything you hear." Cain believes that some of the announcements are intended to discourage competitors from expanding, rather than to represent firm plans.

Dow's Popoff agrees. "A number of those plant expansion announcements are preemptive strategies. The companies figure if they announce first, maybe the other guy'll think twice [about adding capacity]."

Popoff is backing his optimism about continued strong prices with plans to invest several billion dollars to expand Dow's polyethylene and ethylene capacity by nearly 1 billion pounds each a year over the next five years. Is he bluffing? Unlikely. The capacity Popoff is prepared to add is supported by Dow's extraordinarily high operating rates in those two chemicals.

Morgan Stanley's chemical analyst Paul Leming suggests that the current period is more like the early 1970s than the early 1980s. "In the Seventies," he recalls, "the industry ran at very tight operating rates as a result of prolonged underinvestment in new capacity. It took three years for capacity additions to reduce high operating rates. The same conditions exist today. I feel it's unlikely the industry will move out of the current tight operating environment before 1991."

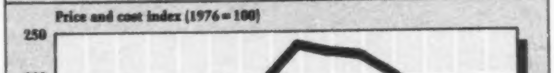
Leming adds: "I'm convinced that profits will hold up better in the next downturn than most investors believe, and that the stocks should be less vulnerable [to a recession] than the market as a whole."

Another analyst, Robert Reitzes of Mabon, Nugent, believes that most commodity chemicals should run at 90% and higher capacity levels through 1990—assuming, of course, no major recession and no major price increases in oil feedstocks. That would be high enough, says Reitzes, "to generate attractive pretax profit margins of 25% to 40%." Back in the bad old early 1980s, margins on many basic chemicals had shrunk to 10%.

There are pessimists as well as optimists, however. Among the former is George Krug of Eberstadt Fleming. Says Krug: "Prices of commodity chemicals have climbed so high that customers will soon begin to substitute other commodities. Then added capacity will put further pressure on prices, which will in turn erode earnings." Enough people agree with Krug that many chemical company shares today sell at large discounts from the price/earnings ratio of the Standard & Poor's 400-stock average. Among the cheapest in terms of earnings are Dow Chemical, Imperial Chemical, Union Carbide, Georgia Gulf, Aristech and Quantum. The stock market, in short, is discounting a downturn in profits, and an upturn in capacity, that may not come for some time. ■

Double leverage

Escalating energy prices and massive overcapacity eroded the chemical industry's profit margins through much of the past decade, as shown by these figures compiled by Dow Chemical. Now, with energy costs lower and with little excess capacity, prices and margins are rising.



*Estimate.

Source: Dow Chemical.

and the Caribbean. In Singapore, the BBC can be heard on FM.

U.S. Armed Forces Radio & Television Service, which carries American network newscasts, is scheduled to end 47 years of shortwave service on Oct. 1. In its place, however, will be satellite feeds to low-power AM transmitters near U.S. military installations. AFRTS, therefore, will reach AM radios in places like West Germany, southern Italy, Japan, Korea, the Philippines and Panama. Unlike shortwave, however, these AM signals are stronger during daytime, when the transmitters operate with higher power.—**William P. Barrett**

Sotheby's Art Market Trends

Index sectors	June 1988	One month ago	One year ago	Two years ago	Five years ago	One month % change	One year % change	Two years % change	Five years % change	Five years average annual % change
Old Master paintings	373	373	346	303	212	nil	+7.8	+23.1	+75.9	+12.0
19th-century European paintings	347	347	303	251	185	nil	+14.5	+38.2	+87.6	+13.4
Impressionist & Post-impressionist art	1,091	1,091	521	380	275	nil	+109.4	+187.1	+296.7	+31.7
Modern paintings (1900-1950)	1,090	1,090	544	364	266	nil	+100.4	+199.5	+309.8	+32.6
Contemporary art (1945 onward)	728	728	597	524	366	nil	+21.9	+38.9	+98.9	+14.7
American paintings (1800–pre-WWII)	958	958	789	687	501	nil	+21.4	+39.4	+91.2	+13.8
Continental ceramics	407	407	320	290	272	nil	+27.2	+40.3	+49.6	+ 8.4
Chinese ceramics	684	684	550	493	445	nil	+24.4	+38.7	+53.7	+ 9.0
English silver	388	388	349	314	219	nil	+11.2	+23.6	+77.2	+12.1
Continental silver	260	260	201	190	156	nil	+29.4	+36.8	+66.7	+10.8
American furniture	469	469	451	333	239	nil	+ 4.0	+40.8	+96.2	+14.4
French & Continental furniture	355	355	319	285	249	nil	+11.3	+24.6	+42.6	+ 7.4
English furniture	720	720	594	447	282	nil	+21.2	+61.1	+155.3	+20.6
Aggregate index*	650	650	435	351	265	nil	+49.4	+85.2	+145.3	+19.7

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Basis: 1975 = 100 ($).

*Contemporary art was added to the Art Index in September 1987. The aggregate index excludes this category prior to that date.

Sotheby's Art Market Trends reflect subjective analyses and opinions of Sotheby's art experts, based on auction sales and other information deemed relevant. Nothing in Sotheby's Art Market Trends is intended as investment advice or as a prediction or guarantee of future performance or otherwise.

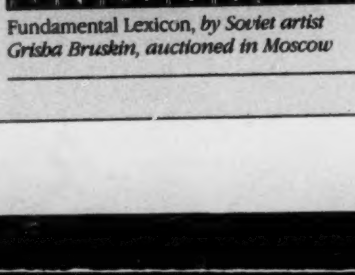
Index highlights

The latest series of Impressionist and Modern painting auctions held in London in June continued the pattern of record-breaking prices seen in New York during the May sales in this sector. Claude Monet's painting of his wife in a field, *Dans la prairie*, surged to $24.3 million, almost four times the previous auction record for a Monet. It was the third most expensive painting ever sold at auction.

One factor contributing to the market's strength may have been the recent rally of the dollar, which was sufficiently strong to encourage American buyers, yet apparently not strong enough to deter the other main participants—Japanese and European buyers—who continued to be active bidders.

Several auctions took place in Monaco, with mixed results. Within the sales of Old Master and 19th-century European paintings, one session produced $7.4 million with 24% unsold, while another resulted in $2 million with as much as 43% unsold.

The furniture sales in Monaco were also uneven, with a number of high prices seen, but also a relatively high number of items unsold. Interestingly, the French government exercised its right and preempted one lot immediately after the sale, stating that it would pay the price realized. The government can use this compulsory purchase system to ensure that a work of art considered to be of national importance stays in the country, while also allowing the seller to receive full market value.



Sotheby's

Fundamental Lexicon, *by Soviet artist Grisha Bruskin, auctioned in Moscow*

Monthly highlights

The first international art auction in Soviet history took place in Moscow July 7. The auction included 119 paintings by contemporary Soviet artists as well as early 20th-century works of the Russian avant-garde. The artwork, bought by Europeans and Americans, many of whom had flown to Moscow for the event, sold for a total of $3.6 million, more than triple the presale estimate.

Numbers Game

Defense contractors face a multibillion-dollar profit pinch from Congress.

Cash now?

Chas. B Slackman

By Penelope Wang

A TAX LAW CHANGE now wending its way through Congress is likely to cost America's top ten defense contractors billions of dollars over the next five years. It also threatens hundreds of small construction companies.

The change, which could take effect as early as this year, would completely stop companies from deferring taxes on profits earned on multiyear contracts. Under an earlier accounting standard, in force until two years ago, all companies with long-term contracts could defer taxes until the contract was completed. The reasoning behind this "completed contract" method: Most contractors incur high costs and reap scant profits until a project nears completion, so in theory the rule protected them from paying taxes on nonexistent income. But deferred taxes snowballed, particularly in the defense industry.

Trouble on three fronts

As Pentagon spending began to slow in 1987 many of the ten biggest defense contractors saw their debt increase and cash dry up. Now, deferred taxes are coming due, too.

Company	Cash on hand*	Deferred taxes*	Debt/equity ratio (%)
McDonnell Douglas	$53	$1,027	53.6%
General Dynamics	178	927	26.7
General Electric	1,834	3,720	34.0
Lockheed	40	1,147	59.4
General Motors/Hughes	731	638	10.3
Raytheon	90	275	26.8
Martin Marietta	154	541	38.8
United Technologies	424	302	55.9
Boeing	3,435	1,447	5.4
Grumman	138	114	100.6

Figures as of 12/31/87. *$Millions.
Sources: Company reports; C.J. Lawrence; Prudential-Bache.

Though some defense contracts, especially those for major weapons systems, sometimes remain open for 15 or 20 years, many of them begin generating income after, say, 8 years. Thus some major contractors, such as General Dynamics, paid little or no taxes between 1975 and 1985. That triggered provisions to the Tax Reform Act of 1986 and a later amendment in 1987. Those changes forced companies in most cases to adopt a "percentage of completion method," paying an estimated tax on the percentage of the project completed, based on costs incurred. Thus, if a contractor spent 10% of its budget for a new weapons system, the contractor would pay taxes on 10% of the estimated income from the project. The tax bonanza from such a change: an estimated $12.2 billion in added revenues over a five-year period.

Now comes the final assault. The House Ways & Means Committee, led by Representative Dan Rostenkowski (D-Ill.), last month approved a further restriction that would totally eliminate the completed-contract method, raising a further $2.4 billion in tax revenues over three years. The new provision is expected to reach the House floor soon, where it will likely pass. The provision will probably meet some stiff opposition in the Senate. But with many defense contractors accused of paying bribes to win lucrative Pentagon contracts, sympathy votes will be hard to come by.

The potential damage is big. According to Howard A. Rubel, aerospace analyst at C.J. Lawrence, the ten major aerospace firms have amassed a deferred tax liability of $8.3 billion. The new accounting change, coupled with earlier changes and the fact that many contracts are expiring, means about 80% of that tax bill—or $6.6 billion—will come due by 1993. Yet cash on hand for those ten companies amounts to only $5.6 billion.

The outlook is especially bleak for highly leveraged companies. McDonnell Douglas, for example, has a $1 billion deferred tax liability, a $1.6 billion debt load and a cash kitty of only $53 million. Comments Rubel: "You're hard-pressed to see how they'll do anything with shareholders' money but pay Uncle Sam back taxes." Two other relatively highly leveraged defense contractors: Lockheed and Grumman *(see table)*.

The last thing defense contractors needed was another problem. But that's what they've got.

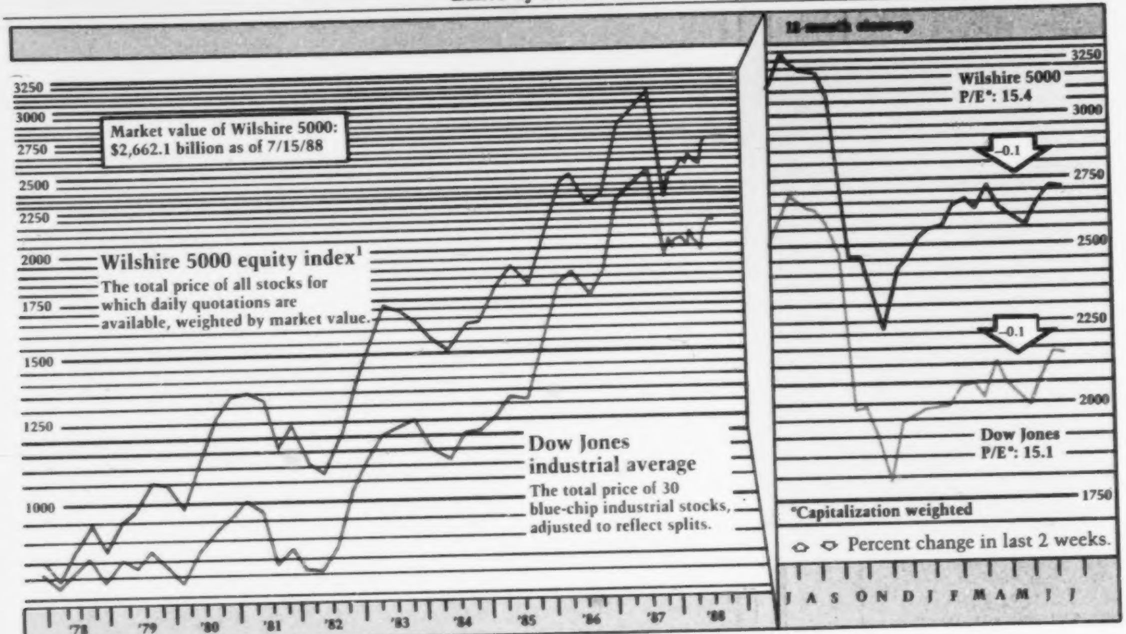
Also affected will be the construction industry, which regularly defers huge tax bills on long-term contracts. Smaller concerns will be at a special disadvantage because they generally have limited working capital and little borrowing capacity.

To hear the construction association tell it, small building firms have been unfairly snagged in the tax net set for defense contractors. Denton Hammond, construction industry expert at the national accounting firm Grant Thornton, agrees. "Construction firms have not been the ones deferring profits for years," he says, noting that the average construction project lasts only nine months. Moreover, each project entails unique costs, whereas many defense contracts are renewals. "By the 200th fighter jet, you know what your costs and profits are," says Michael Repass, senior manager at Price Waterhouse. "But a builder doesn't really know a bridge will be profitable until it's completed."

The construction lobby is still fighting to keep the completed-contract method of deferring taxes. But Congress seems unlikely to listen. ■

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Have we been here before? The Dow pierced 2,100 for the first time in late January 1987, on its way to a peak of 2,700. Eighteen months later the Dow is again hovering around 2,100. Someone buying today is perhaps looking for a second climb up to 2,700. But a contrary view is well argued by G. Stanley Berge, a managing director at Tucker Anthony & R.L. Day: "The slowdown in the growth of money, the fragile banking system and the ever increasing debt burden cannot go on for much longer." Berge predicts a 400-point drop in the Dow by Christmas.

A 37-point rally during the final three trading days of the two weeks ended July 15 left the Dow with a 0.1% loss. The overall market as measured by the Wilshire 5000 also fell 0.1%. The Nasdaq composite of 4,635 stocks was unchanged. Year to date, however, the smaller o-t-c stocks continue to outdistance the larger-capitalization companies. The Nasdaq is up 19.4%, versus a gain of only 9.8% for the Dow and 10.4% for the Forbes Sales 500.

Closeup On the Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	0.7	0.6	1.2	0.5	1.2	2.0
in last 52 weeks	–12.4	–13.0	–15.2	–13.0	–12.5	–9.1

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	0.3	4.1	3.6	1.8	1.1	2.8	2.2	4.6	5.4	1.6	0.7	2.1
in last 52 weeks	–7.6	16.4	19.3	4.5	–4.0	0.2	0.6	22.2	18.8	2.9	–3.6	10.9

[1] Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2] Based on sales. [3] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

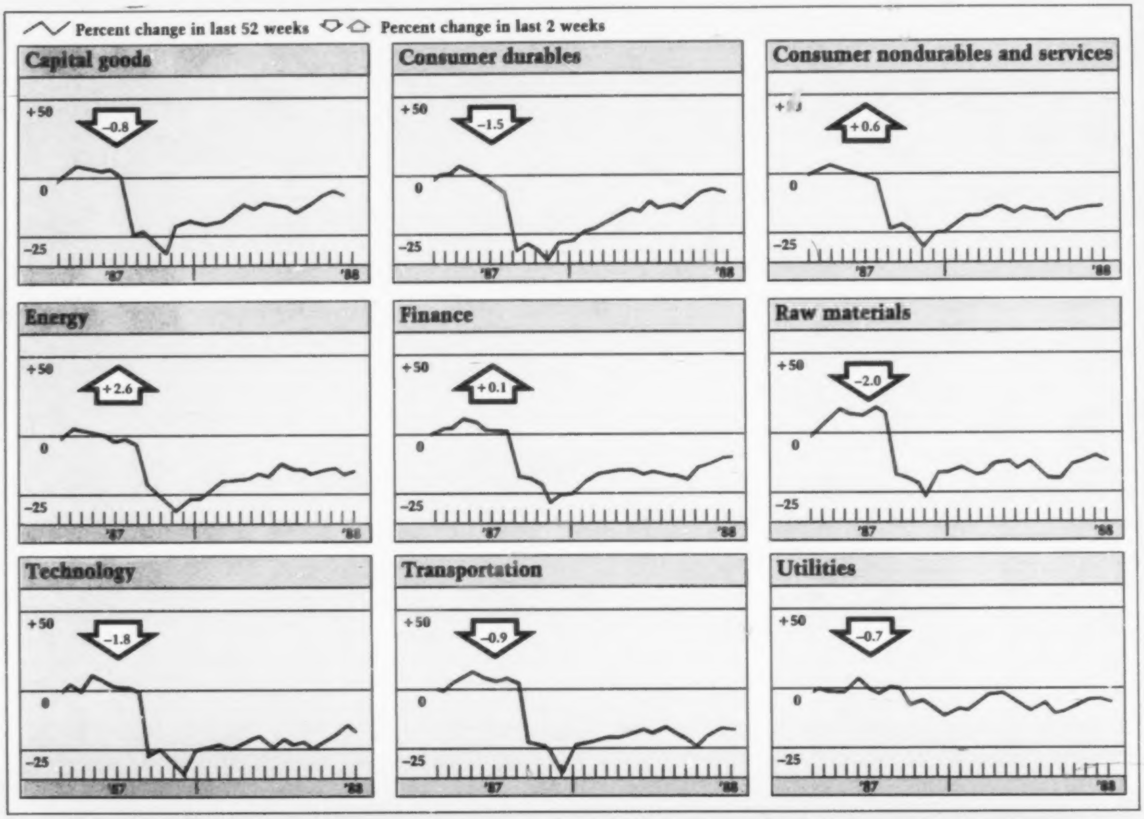
Steven Ramos

Note: All data for periods ending 7/15/88. Prepared by Wilshire Associates, Santa Monica, Calif.

Where the Action Is

Earnings moves. The market may appear to be in the summer doldrums, but certain stocks moved sharply when quarterly earnings were released. For example, Wheeling-Pittsburgh, the eighth-largest U.S. steel producer, reported second-quarter earnings of $7.73 a share, versus $4.10 a year ago. Wheeling, which is in Chapter 11, closed at 24⅛, up 62% for the two-week period.

In contrast, Genentech reported second-quarter earnings that were unchanged from the previous quarter, and the stock dropped 12%, to 24. Genentech, once a Wall Street favorite, has now lost over $3 billion in market value from its 1987 high, while its price-to-sales ratio dropped from 39.5 to 8.6. That doesn't make Genentech a bargain; the market's price-to-sales ratio is 0.73.



What the Analysts Think

Changing perceptions. One year ago the trailing P/E for the Forbes Sales 500 was 19.1. Now it's 14.3. That makes the earnings yield (earnings/price) for the group 7%. The higher 1989 earnings predicted by Wall Street analysts give the Sales 500 an estimated 1989 market multiple of 9.9, for an earnings yield of 10%.

Forecasting the Forbes Sales 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.69	14.3
1988 estimates	3.55	10.9
1989 estimates	3.92	9.9

Rank based on change in estimate	Sector	Estimated 1988 EPS	Estimated 1988 P/E	% change in 1988 estimate in 2 weeks	% change in 1988 estimate in 4 weeks
1	Raw materials	$3.04	10.6	0.66%	1.40%
2	Capital goods	2.59	15.1	0.25	0.20
3	Consumer durables	4.41	11.7	0.16	1.41
4	Utilities	2.40	10.0	0.06	–0.03
5	Technology	2.87	12.3	–0.08	–0.15
6	Energy	3.07	12.4	–0.15	0.31
7	Consumer nondurables	2.48	13.1	–0.24	–0.47
8	Transportation	2.44	11.3	–0.33	–1.42
9	Finance	3.39	8.4	–1.00	–1.46

Earnings projections are capitalization-weighted consensus estimates from over 3,000 security analysts. Data are compiled and updated continually by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 7/15/88. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

THE NEWEST WRINKLE IN BONDS: POISON PUTS

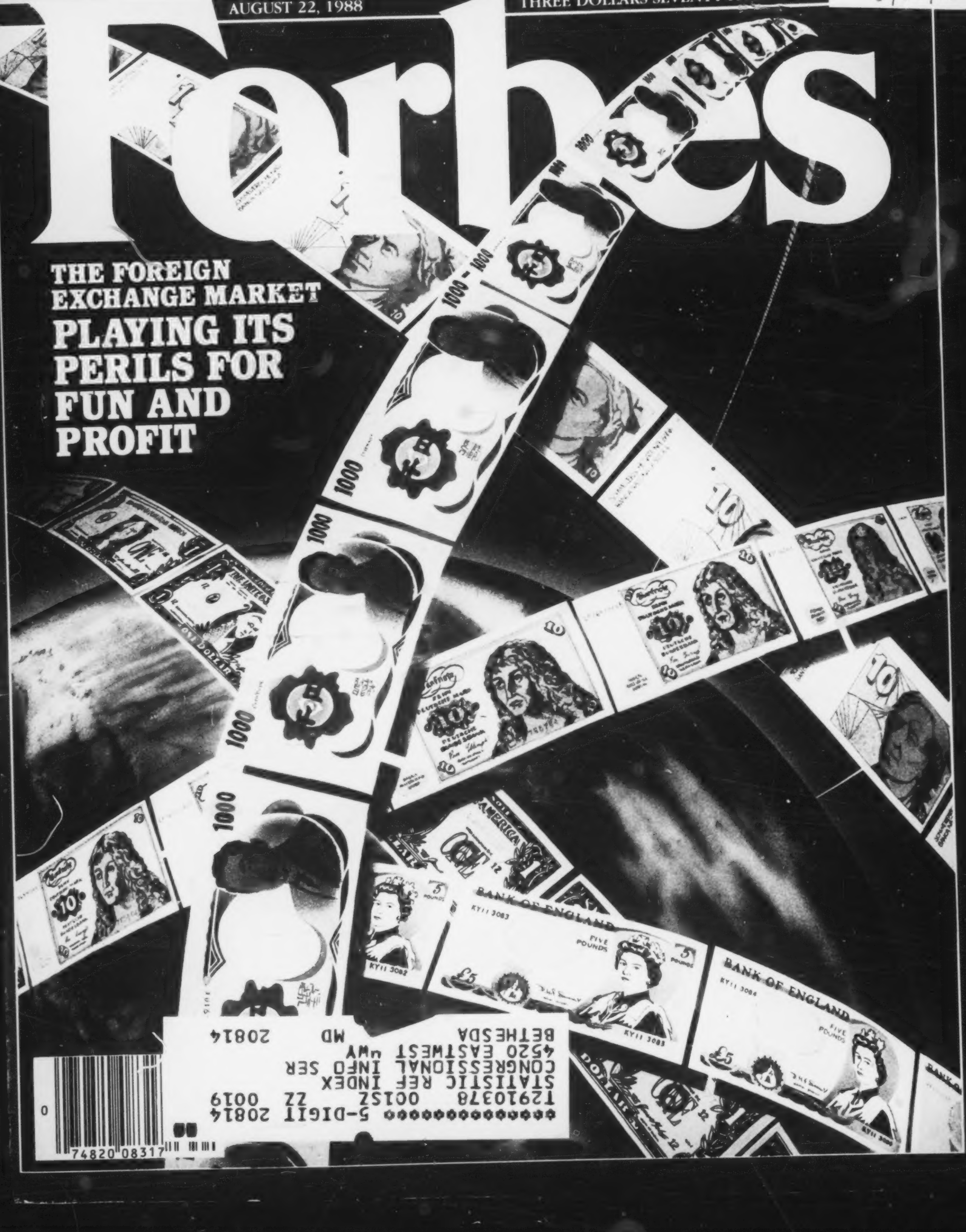
STEPHEN CANNELL: THE GENIUS BEHIND TV'S WISEGUYS

DANIEL ORTEGA'S NEW FRIENDS

C3950-1
8/10/88

AUGUST 22, 1988
THREE DOLLARS SEVENTY-FIVE CENTS

Forbes



THE FOREIGN EXCHANGE MARKET

PLAYING ITS PERILS FOR FUN AND PROFIT

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Cover illustration by E.T. Steadman

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AUGUST 22, 1988
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NUMBER 4

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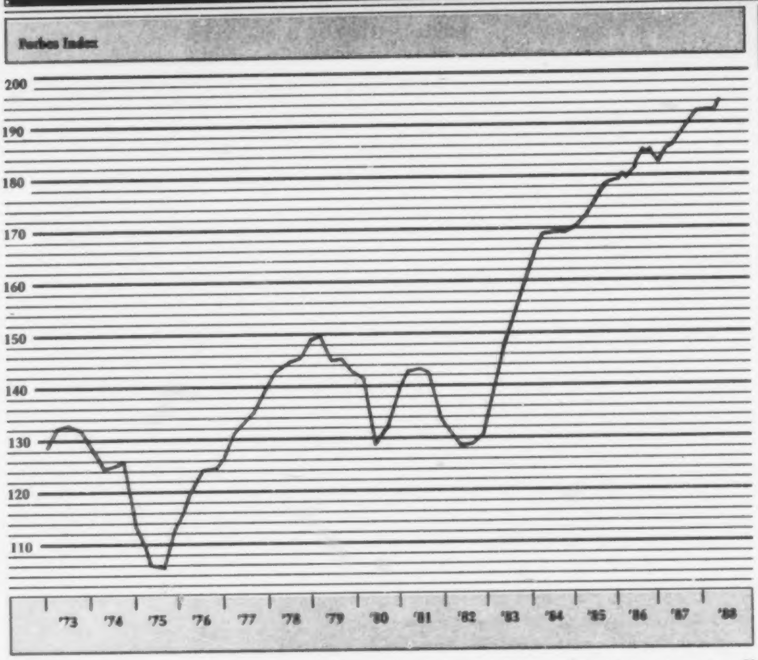
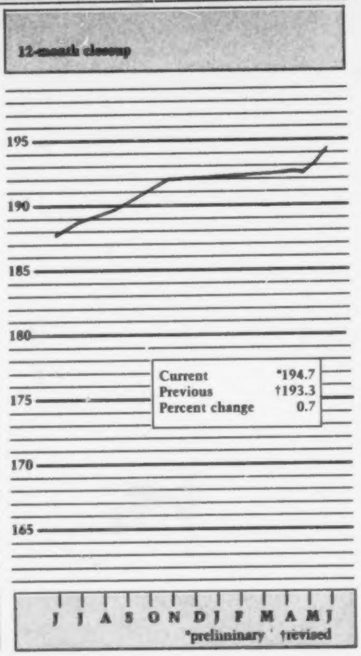
The Forbes Index





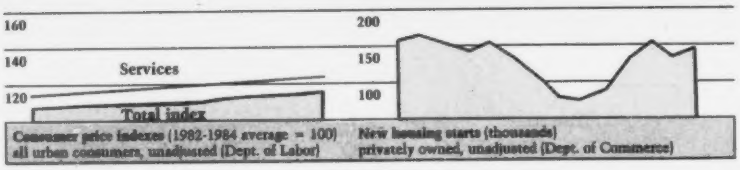
No recession here. In June the Forbes Index gained 0.7% after a slight dip in May, its first decline in 16 months. Fears of an economic slowdown were premature. The rebound was augmented by an 8.8% surge in manufacturers' new orders. A mild recovery in the housing market also helped. Housing starts rose 6.8% last month. Compared with June 1987, however, the 12-month total of housing starts is off 10.1%.

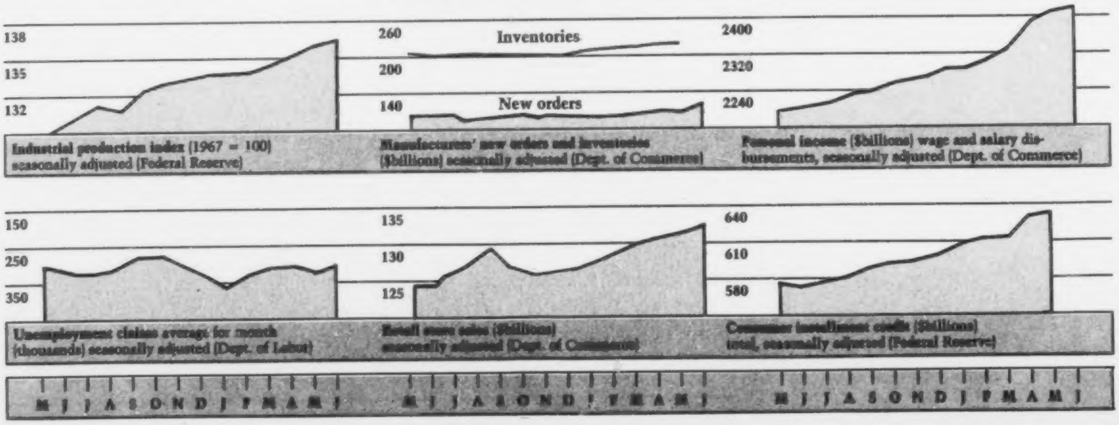
Personal income posted a healthy 0.7% gain in June, to an annual level of $2.4 trillion, putting it 3% higher than it was at the beginning of the year. The Consumer Price Index rose 2.3% during the first six months of 1988. This is still less than the 2.7% increase during the first half of 1987. For now, inflation appears to be under control.

The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.





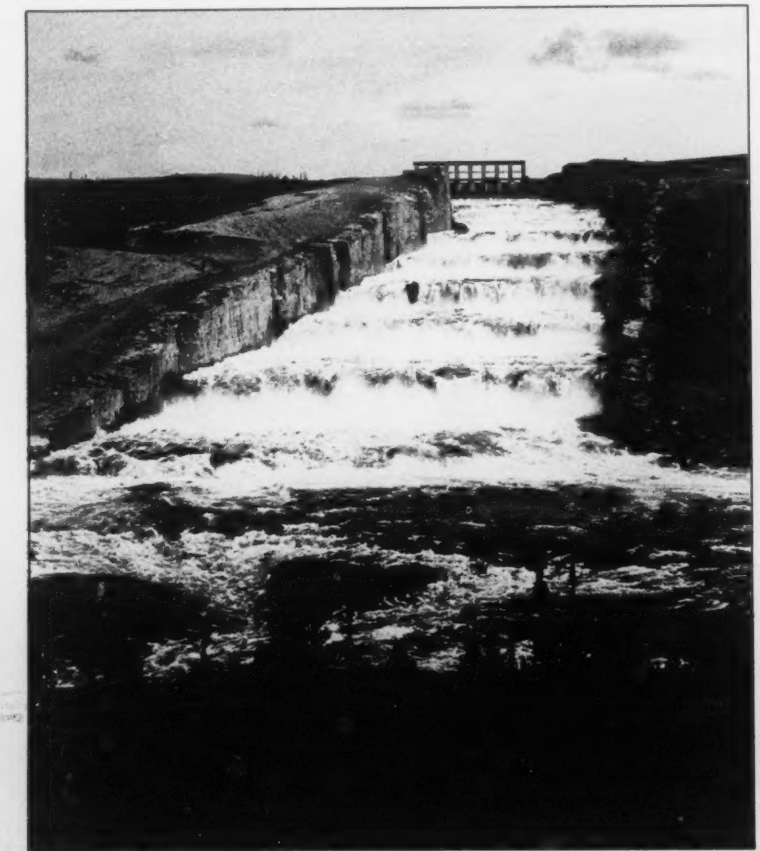
Canada's increasing exportation of hydroelectric power to the U.S. is a case where both buyer and seller have much to gain and almost nothing to lose.

Power play

By James Cook

FOR NEARLY A CENTURY now, electric power has been moving back and forth across the U.S.-Canadian border as easily as it moves from state to state or from utility to utility within the U.S. Thus the U.S. gets low-cost power that would not otherwise be available.

It's an even better deal for Canada. The U.S. has bought more power than it sold, providing Canada with a favorable 1987 balance of $1.2 billion. The trade is likely to swing even further in Canada's favor in the future. By 1995 the U.S. is likely to buy 20% more Canadian power, the U.S. Energy Information Administration predicts.



Mike Dobell/Masterfile

Producing hydropower at La Grande 2 in James Bay, Quebec
Good for them, good for us.

For the Canadians, a U.S. market for their power has enabled them to develop some of their resources—the $12 billion James Bay hydroelectric project, for example—years earlier than they would otherwise, and to devote the proceeds to reducing their already low domestic power costs.

For the U.S. utilities, buying is not only cheaper than generating it themselves but also saves them the financial, environmental and regulatory problems involved in building new U.S. power plants. For example, Canadian power plants are not required to use expensive scrubbers to control pollution. Thus the New York Power Authority's new contract with Hydro-Quebec will, over 21 years, save New Yorkers $600 million over what they would have paid using oil. Central Maine Power's contract will save $465 million over 29 years; the New England Power Pool's contract, $1.5 billion over 10 years.

It's not wholly free trade. Canada shrewdly exacts its pound of flesh. Canadian producers—provincial governments mainly—can export only their power surpluses, and they have to price them more or less in line with the buyer's least-cost alternative.

Canadian power is lower cost in part because it is subsidized, either directly, through low-cost financing or tax breaks, or indirectly, through environmental exemptions. But even here the Canadians exact top dollar: Canada's National Energy Board requires producers to recover any subsidies in their export rates. Still, even after recovering these subsidies, Canadian power is cheaper than almost any new U.S.-generated power, mainly because it's low-cost hydroelectric.

Overall, imports supply less than 2% of U.S. electric power needs, but in the border states the proportion is much higher. Northern States Power imports about 7% of its power from Manitoba and distributes it to parts of Minnesota, Wisconsin, the Dakotas and northern Michigan. New York State gets 11% of its needs from Ontario and Quebec. New England now imports 6% from Quebec, but that proportion could increase dramatically.

"Canadian hydropower," according to a study Thomas Connell of Carnegie-Mellon University did for the Edison Electric Institute, "is capable of supplying nearly all additional capacity requirements in some regions of the U.S. for the foreseeable future."

And there's no question that Canada is avid to export to the American market. Quebec already has major developments under way on the Manicouagan and La Grande rivers aimed in part at the U.S. market, while Manitoba and British Columbia have ambitions of developing sites on the Nelson and Peace rivers. Yet barely half of Canada's 120,000-megawatt hydropower potential has been developed *(see chart)*. More audaciously, New Brunswick is prepared to give part ownership to U.S. utilities in thermal or nuclear plants that it would build, free of U.S. environmental or other regulations, to serve the U.S. market.

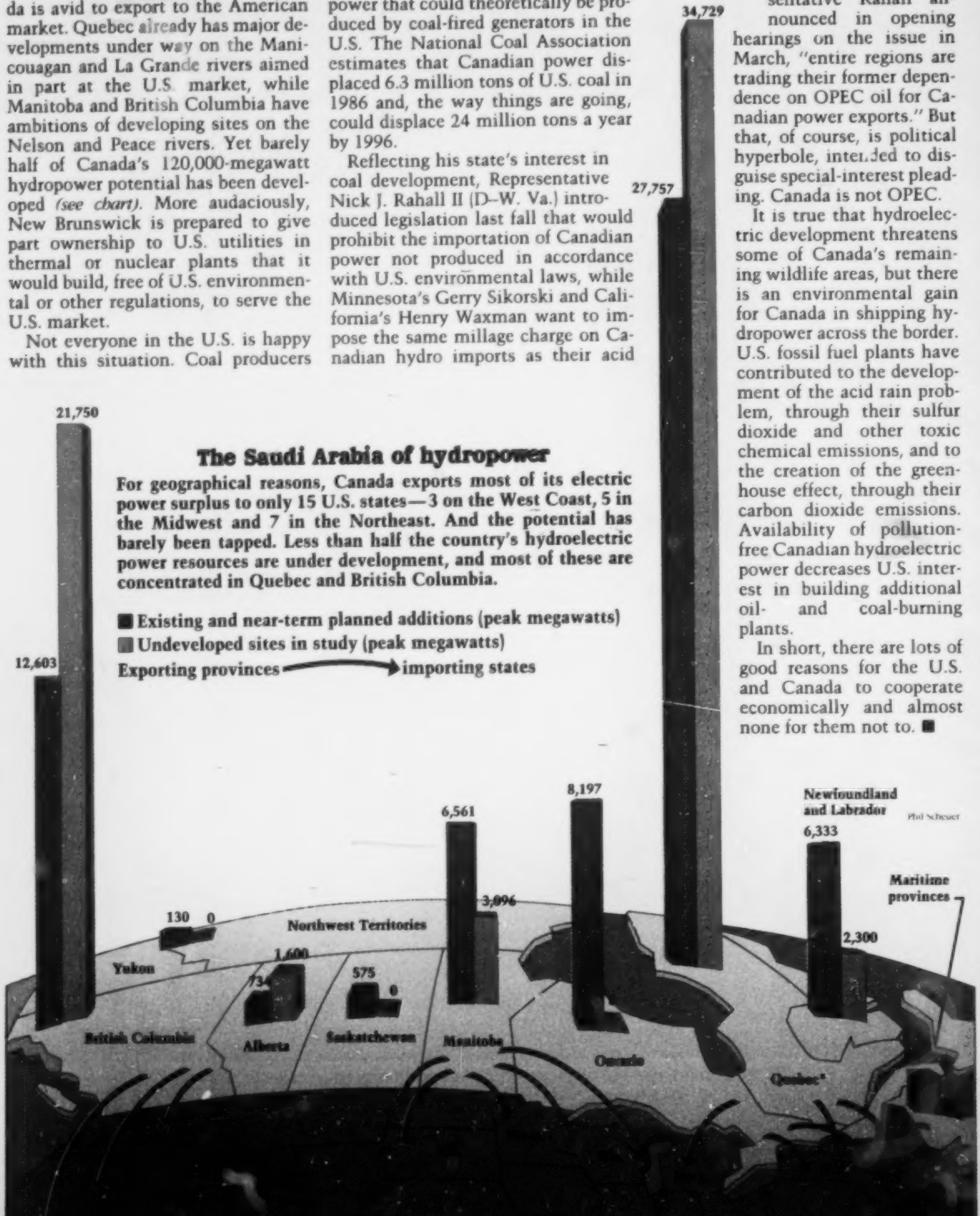
Not everyone in the U.S. is happy with this situation. Coal producers most definitely are not. In a sense, every kilowatt-hour of power exported to the U.S. is a kilowatt-hour of power that could theoretically be produced by coal-fired generators in the U.S. The National Coal Association estimates that Canadian power displaced 6.3 million tons of U.S. coal in 1986 and, the way things are going, could displace 24 million tons a year by 1996.

Reflecting his state's interest in coal development, Representative Nick J. Rahall II (D–W. Va.) introduced legislation last fall that would prohibit the importation of Canadian power not produced in accordance with U.S. environmental laws, while Minnesota's Gerry Sikorski and California's Henry Waxman want to impose the same millage charge on Canadian hydro imports as their acid rain legislation would have EPA impose on U.S.-generated energy.

"It appears," Representative Rahall announced in opening hearings on the issue in March, "entire regions are trading their former dependence on OPEC oil for Canadian power exports." But that, of course, is political hyperbole, intended to disguise special-interest pleading. Canada is not OPEC.

It is true that hydroelectric development threatens some of Canada's remaining wildlife areas, but there is an environmental gain for Canada in shipping hydropower across the border. U.S. fossil fuel plants have contributed to the development of the acid rain problem, through their sulfur dioxide and other toxic chemical emissions, and to the creation of the greenhouse effect, through their carbon dioxide emissions. Availability of pollution-free Canadian hydroelectric power decreases U.S. interest in building additional oil- and coal-burning plants.

In short, there are lots of good reasons for the U.S. and Canada to cooperate economically and almost none for them not to. ■



The Saudi Arabia of hydropower

For geographical reasons, Canada exports most of its electric power surplus to only 15 U.S. states—3 on the West Coast, 5 in the Midwest and 7 in the Northeast. And the potential has barely been tapped. Less than half the country's hydroelectric power resources are under development, and most of these are concentrated in Quebec and British Columbia.

■ Existing and near-term planned additions (peak megawatts)
▨ Undeveloped sites in study (peak megawatts)
Exporting provinces ⟶ importing states

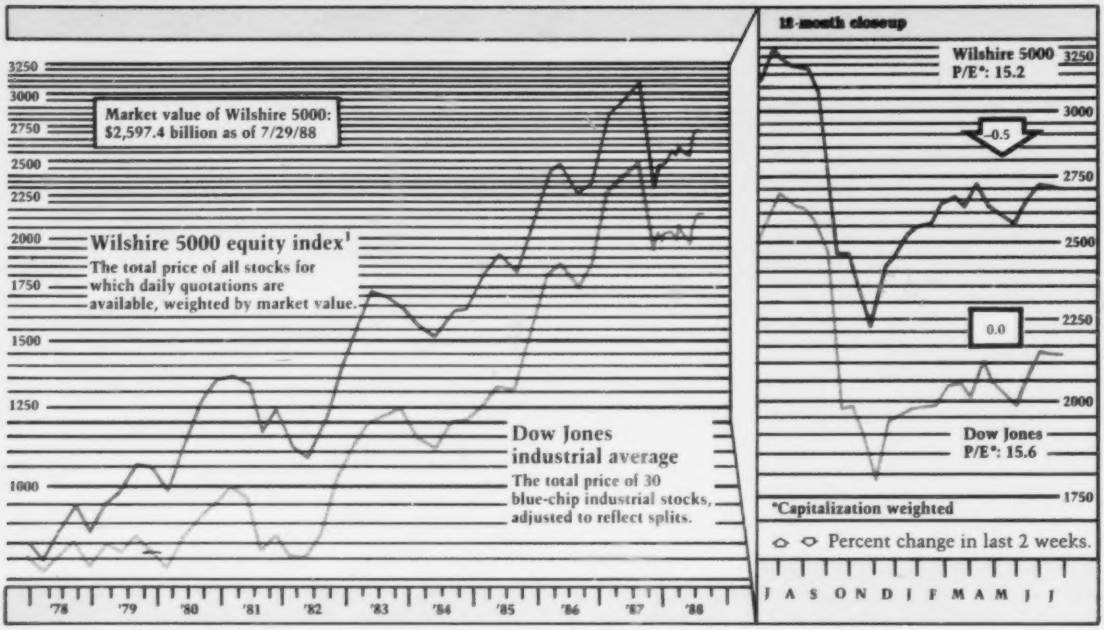
Phil Scheuer

*Exports to all New England

Sources: U.S. Department of Energy; Edison Electric Institute; Northern States Power Co.; Hydro-Quebec; Ontario Hydro; British Columbia Hydro.

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Market value of Wilshire 5000: $2,597.4 billion as of 7/29/88

Wilshire 5000 equity index[1] The total price of all stocks for which daily quotations are available, weighted by market value.

Dow Jones industrial average The total price of 30 blue-chip industrial stocks, adjusted to reflect splits.

*Capitalization weighted

○ ○ Percent change in last 2 weeks.

Bear market rally? A 75-point two-day upswing enabled the Dow to close unchanged for the last two weeks of July. But this has all the makings of a typical bear market rally. For starters, the action was limited to blue-chip stocks. During the last five trading days the Dow gained 3.3% while the Amex and Nasdaq were flat. Last week on the Amex more stocks made new 52-week lows than highs (30 to 24). When the Dow rallied 46 points on July 29 only 192 million shares were traded on the NYSE. Of this volume, over 10% was in dividend capture plays.

On the bright side, corporate America continues to report healthy earnings. The Dow multiple of 10.8 is only slightly higher than its five-year low of 10.3 reached in December 1984. That makes the earnings yield (the inverse of the P/E) on the Dow 9.3%. In August of 1987 the earnings yield was only 4.5%. Although earnings a year ago were distorted downward by some one-time writeoffs, the market is certainly a lot less expensive.

Closeup On the Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	–0.6	–0.1	–0.1	–0.2	–0.9	–1.9
in last 52 weeks	–13.8	–14.5	–17.2	–14.2	–14.5	–10.9

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 23	under 9	over 4.7%	none	high	low	over $35	under $4
in last 4 weeks	–1.3	1.6	1.5	1.4	–1.5	0.9	1.2	1.8	0.5	0.1	–1.1	1.1
in last 52 weeks	–9.6	16.2	18.2	4.3	–5.7	–0.1	0.9	20.5	16.6	2.5	–5.3	10.2

[1] Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2] Based on sales. [3] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

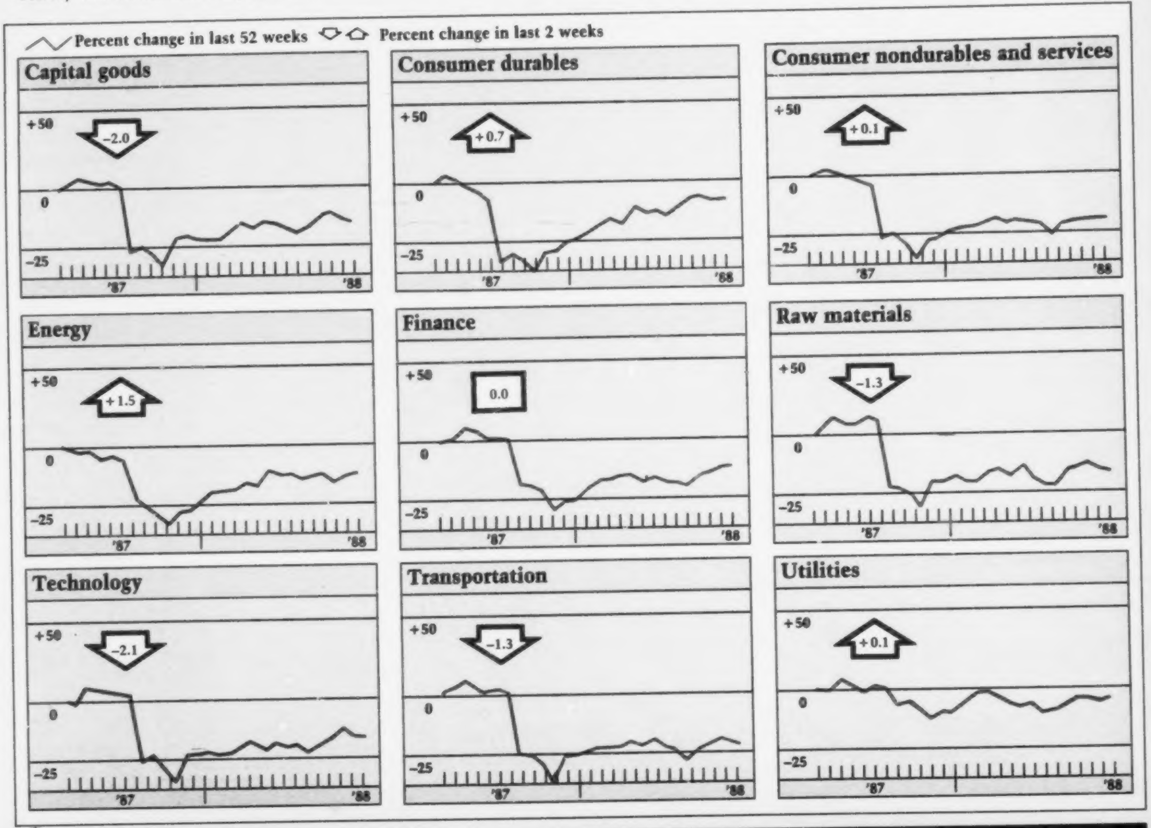
Note: All data for periods ending 7/29/88. Prepared by Wilshire Associates, Santa Monica, Calif.

Steven Ramos

Where the Action Is

Energy stocks respond to favorable earnings reports. The energy sector posted the strongest two-week performance. The best stock in the group was Phillips Petroleum, up 10%, to 17⅝. The company reported earnings of $1.27 for the six months ended June 30, versus a deficit in 1987, and also increased its quarterly dividend from 15 cents to 18 cents, which makes its yield 4.1%.

In contrast, technology stocks have been hurt by disappointing earnings reports. It is painfully reminiscent of last summer, when the retail and apparel stocks dropped before the rest of the market collapsed. In the last two weeks Seagate dropped $6.50, to 11⅛, on lower than expected earnings, while Tandem, Data General, Lotus Development and Autodesk all declined more than 10%.



What the Analysts Think

Finance is weak. Analysts again lowered their 1988 earnings estimates for the finance sector. With its estimated 1988 P/E of 8.5, finance has the lowest sector multiple. But there may be some positive earnings surprises. For example, following a second-quarter rebound, analysts raised their 1988 estimate for First Boston by 6%.

Forecasting the Forbes Sales 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.77	14.0
1988 estimates	3.55	10.9
1989 estimates	3.93	9.8

Rank based on change in estimate	Sector	Estimated 1988 EPS	P/E	% change in 1988 estimate in 2 weeks	in 4 weeks
1	Raw materials	$3.07	10.3	1.26%	1.93%
2	Capital goods	2.62	15.3	1.13	1.39
3	Consumer durables	4.45	12.6	0.80	0.96
4	Utilities	2.40	10.0	0.14	0.20
5	Energy	3.07	12.6	−0.02	−0.17
6	Technology	2.88	12.1	−0.06	−0.14
7	Transportation	2.43	11.2	−0.36	−0.69
8	Consumer nondurables	2.47	13.3	−0.53	−0.76
9	Finance	3.36	8.5	−0.89	−1.89

Earnings projections are capitalization-weighted consensus estimates from over 3,000 security analysts. Data are compiled and updated continually by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 7/29/88. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

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WHERE TO FIND THE BEST YIELDS

SEPTEMBER 5, 1988
THREE DOLLARS SEVENTY-FIVE CENTS

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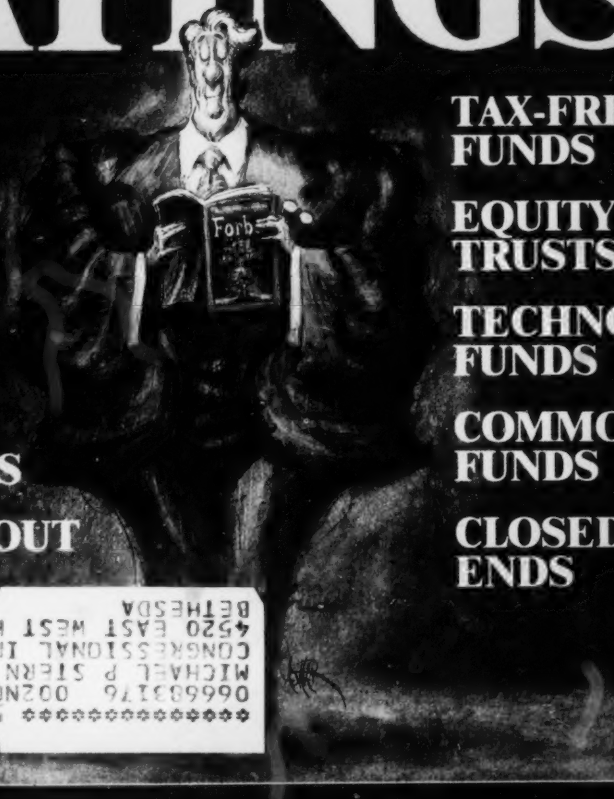
1988 FUND RATINGS



THE FORBES HONOR ROLL

INTERNATIONAL FUNDS

TAX STRATEGIES

THE MOST EFFICIENT FUNDS

LEVERAGED BUYOUT FUNDS

TAX-FREE FUNDS

EQUITY UNIT TRUSTS

TECHNOLOGY FUNDS

COMMODITY FUNDS

CLOSED ENDS

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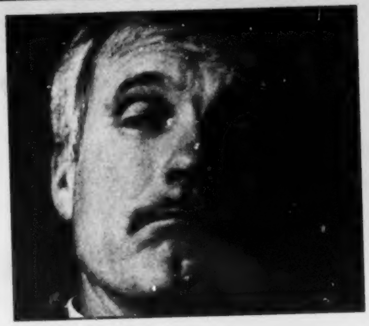

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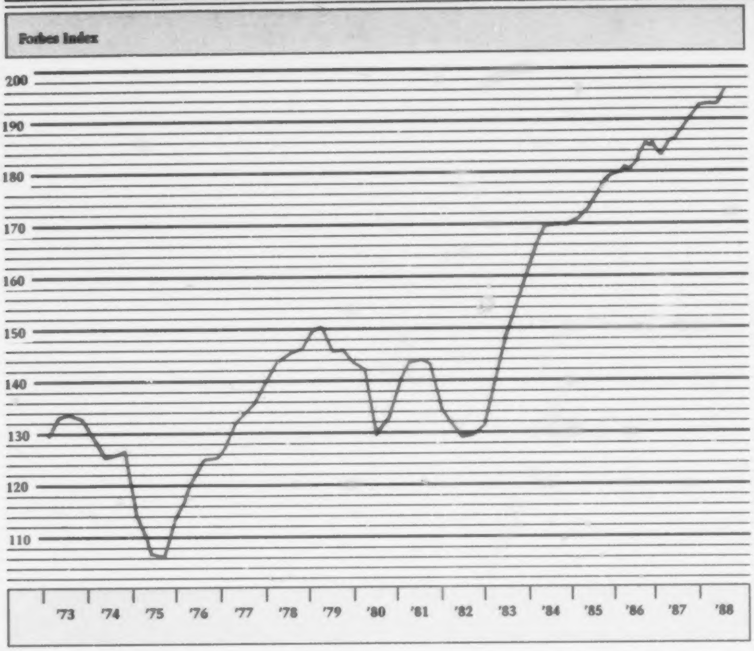
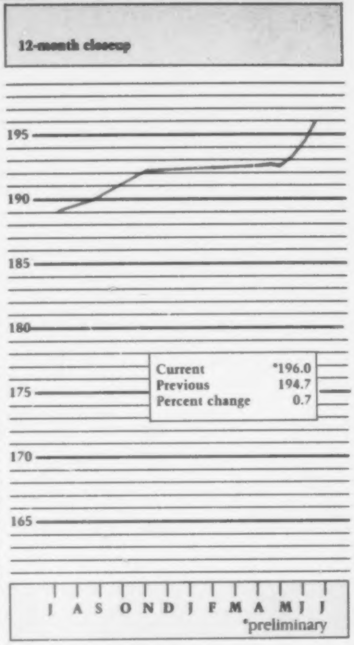
The Forbes Index





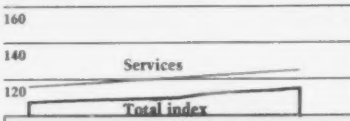
Buy now, pay higher interest later. Consumers took June's 0.7% increase in personal income and went to the stores in July, as retail sales climbed 0.5%. A lot of the spending was made possible only by loose credit. The record $642 billion of consumer installment credit outstanding in June, for example, was 0.9% higher than it was a month earlier. That was the 13th straight monthly advance. Since a fair amount of this debt is at floating rates—most credit-card balances, for instance—the jump in interest rates will leave consumers with less money to spend.

Despite a steady rise in new orders, business inventories rose 0.4% in June, marking the 12th consecutive month of increases. An unsustainable increase in inventories ultimately puts downward pressure on demand.

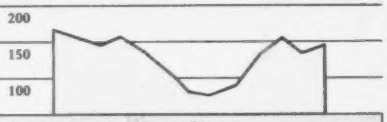
The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

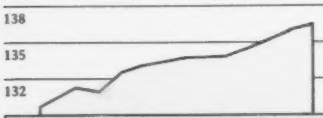
To measure these eight elements, Forbes monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



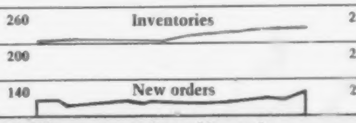
Consumer price indexes (1982-1984 average = 100) all urban consumers, unadjusted (Dept. of Labor)



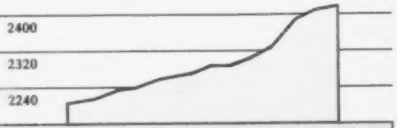
New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)



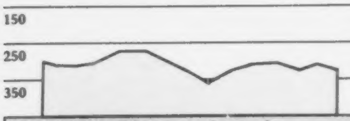
Industrial production index (1967 = 100) seasonally adjusted (Federal Reserve)



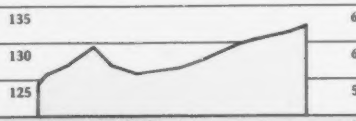
Manufacturers' new orders and inventories ($billions) seasonally adjusted (Dept. of Commerce)



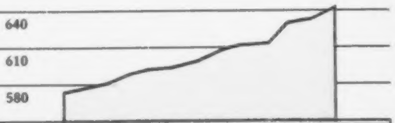
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)



Retail store sales ($billions) seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

1988 Fund Ratings

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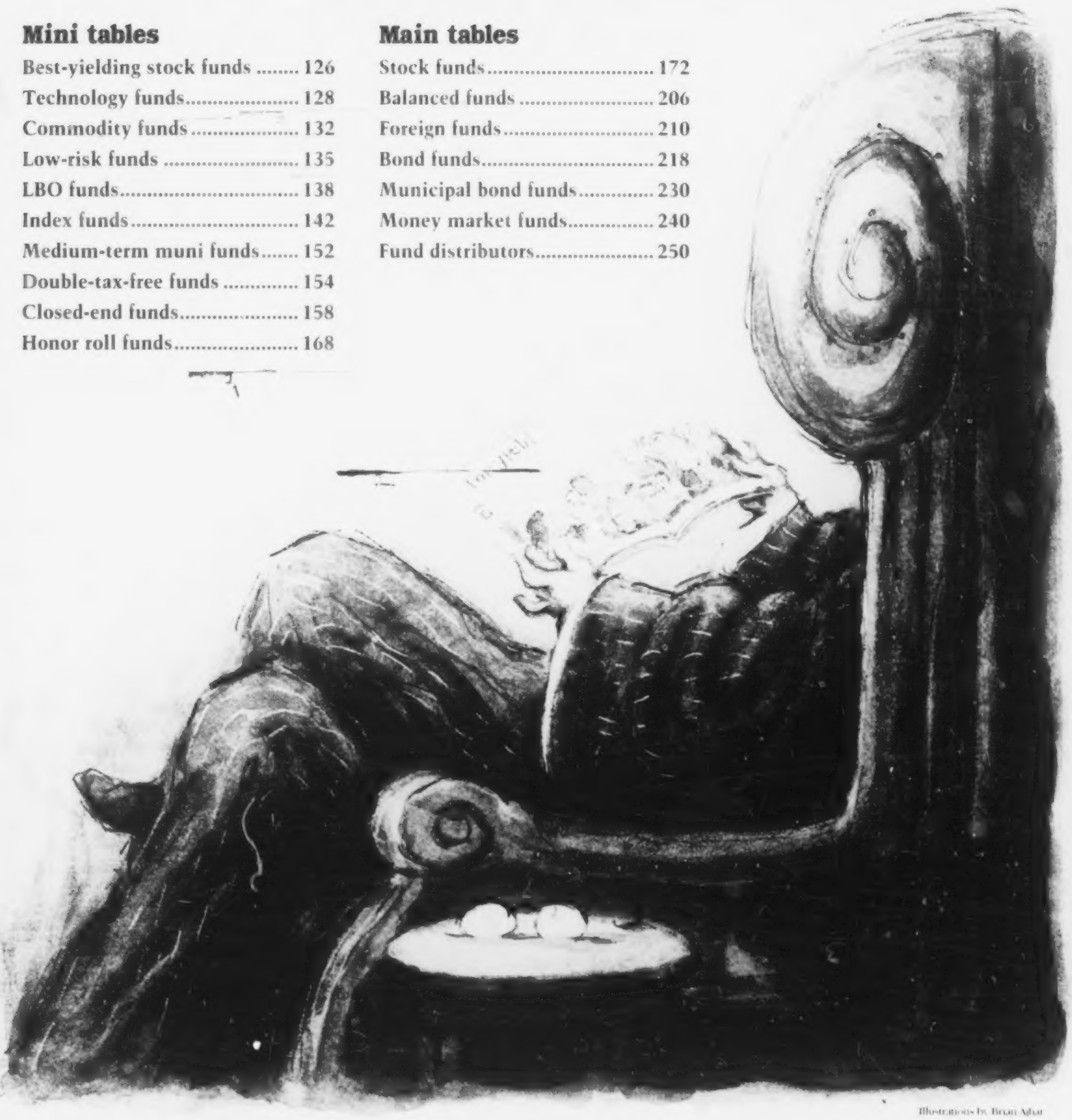


Illustrations by Brian Ajhar

The honor roll

Quasar Associates, a hot little aggressive-growth fund from the Alliance family, would have been a terrific place to put your money a decade ago. In long-term performance, it places fourth of 265 domestic stock funds. But you won't find it on the Forbes honor roll. Its absence says a lot about what the honor roll is and isn't.

The honor roll isn't our prediction of which funds will have the best returns for the next decade. We can't begin to tell you that because we don't know what the next decade will bring. If we knew the stock market would sizzle in the 1990s, we might put Quasar on. All we or anyone can say for certain is that the market will fluctuate. Therefore, the Forbes mutual fund ratings take into account not only a fund's prowess in bull markets but its defensive strengths in bear markets. Quasar just doesn't do well in bear markets.

Then what is the honor roll? A list of funds that have shown the ability to perform well in both bull and bear markets. To get on, a fund has to be not only good but consistent. It must get at least a B in both bull and bear markets. Although 45% of all funds are awarded honor grades for up markets and 45% for down markets, scarcely one in ten gets honor grades in both kinds of markets. From that 10% comes our honor roll.

Quasar, whose manager has a taste for steeply leveraged companies like Tele-Communications and Itel, is a fair-weather fund. For up markets, it gets an A+. But when the market sours, it rates a D. Buy Quasar if you feel quite certain that the market will be mostly bullish during the time you will be invested. But how many people can be confident about that? What if the next decade does not produce a market with the overall strength of the last decade's? What if you need

Fund/distributor	**Performance**		**Lead manager (consecutive years as manager)**	**Net assets 6/30/88 ($mil)**	**Maximum load**	**Annual expenses per $100 assets**
	UP	**DOWN**				
Acorn Fund/Acorn Fund	B	B	Ralph Wanger (18)	$530	none	$0.82
Amcap Fund/American Funds Distributors	B	B	multiple managers	1,726	5.75%	*0.63*
American Capital Pace Fund/American Capital Mktng	B	A	John Roche (3)	2,488	8.50	0.60
Claremont Capital/closed end	B	A	Erik Bergstrom (12)	59	NA[6]	1.01
Dodge & Cox Stock Fund/Dodge & Cox	A	B	multiple managers	75	none	0.65
Fidelity Destiny Portfolio I/Fidelity Distributors Corp	A	B	George Vanderheiden (8)	1,440	NA[7]	0.50
Fidelity Magellan Fund/Fidelity Distributors Corp	A+	A	Peter Lynch (11)	9,257	3.00	1.14
Growth Fund of America/American Funds Distributors	B	B	multiple managers	1,129	5.75	*0.66*
Guardian Park Ave Fund/Guardian Investor Svcs Corp	B	B	Charles Albers (16)	185	4.50	0.68
IDS New Dimensions Fund/IDS Financial Services	A	B	Arch Spencer (1)	681	5.00	0.79
Lehman Capital Fund/Shearson Lehman Hutton	A	B	Ronald Wiener (2)	86	5.00	1.17
New England Growth Fund/New England Securities	A	B	Kenneth Heebner (12)	487	6.50	*1.28*
New York Venture Fund/Venture Advisers	A	B	Shelby Davis (19)	166	8.50	1.01
Nicholas Fund/Nicholas Co	B	A	Albert Nicholas (19)	1,148	none	0.86
Putnam Vista Basic Value/Putnam Financial Services	A	B	Ronald Clark (2)	254	8.50	1.05
Shearson Lehman Appreciation/Shearson Lehman	A	B	Harold Williamson Jr (7)	453	5.00	0.93
Sigma Capital Shares/Sigma Investor Services	B	B	Richard King (11)	92	6.00	*1.12*
United Vanguard Fund/Waddell & Reed	B	A	Charles Hooper Jr (1)	683	8.50	0.93
Value Line Leveraged Growth Inv/Value Line Securities	B	B	Mark Tavel (14)	288	none	0.95

[1] Most funds have lower minimum requirements for IRAs. [2] Average of price/earnings ratios for stocks in portfolio as of 3/31/88, weighted by size of holding. Source: CDA Investment Technologies. [3] Lesser of security sales or purchases, divided by average net assets. [4] From 2/28/78 through 6/30/88, before deducting loads and taxes. [5] Value on 6/30/88 of $10,000 invested 2/28/78, after load and taxes, for hypothetical upper-income investor. Assumptions: Investor has $100,000 of gross income in constant 1984 dollars, deductions equal to 20% of income—15% after 1986—and four exemptions. Loads applied at 6/30/88 rates.

your money in a hurry? If you are forced to sell at the bottom, you don't want to be in a fund like Quasar.

But being in the upper 10% in consistency does not yet get you on the FORBES honor roll. Candidates have to pass two other tests. One is that they be open to new customers. For the third year in a row, the Loomis-Sayles Capital Development Fund was disqualified for this reason.

The other requirement is turning a hypothetical $10,000 investment made in 1978 into at least $42,000, after taxes and loads. This hypothetical example reflects two aspects of performance that aren't captured elsewhere in our ratings. The grading process, which aims to measure portfolio management skill, doesn't dock funds for sales loads. The only place where we do that is in the column below labeled "Hypothetical investment results," which are charged loads at current rates. The examples also adjust returns for individual taxes.

The October crash left a sharp imprint. Seven funds tumbled off last year's honor roll, as the crash shifted our evaluation period forward half a cycle *(see chart, p. 172)* and pushed several former winners into C territory in bear markets. The newcomers are Dodge & Cox, Guardian Park Avenue, IDS New Dimensions, Lehman Capital, New York Venture, Putnam Vista Basic Value and Sigma Capital.

As it has so many times in the past, Fidelity Magellan leads the honor roll in hypothetical after-tax results. It turned a $10,000 investment into $137,472, versus $78,801 for its closest competitor, Claremont Capital. Fidelity's Peter Lynch didn't shine last October, but his huge lead going into the crash gave him a performance cushion. Claremont, by contrast, was more conservative. "During the crash, the fund was down, but not like the market. We built up a cash position and we didn't sell out when our stocks hit bottom," says Erik Bergstrom, who has been managing Claremont Capital from Palo Alto, Calif. for 12 years. Kenneth Heebner, who has appeared on the honor roll four times with New England Growth and once with Loomis-Sayles Capital Development, is keeping a high 50% of New England Growth's assets in cash, up from 33% on June 30. "We think the current business cycle is coming to an end. Interest rates are trending up," he says.

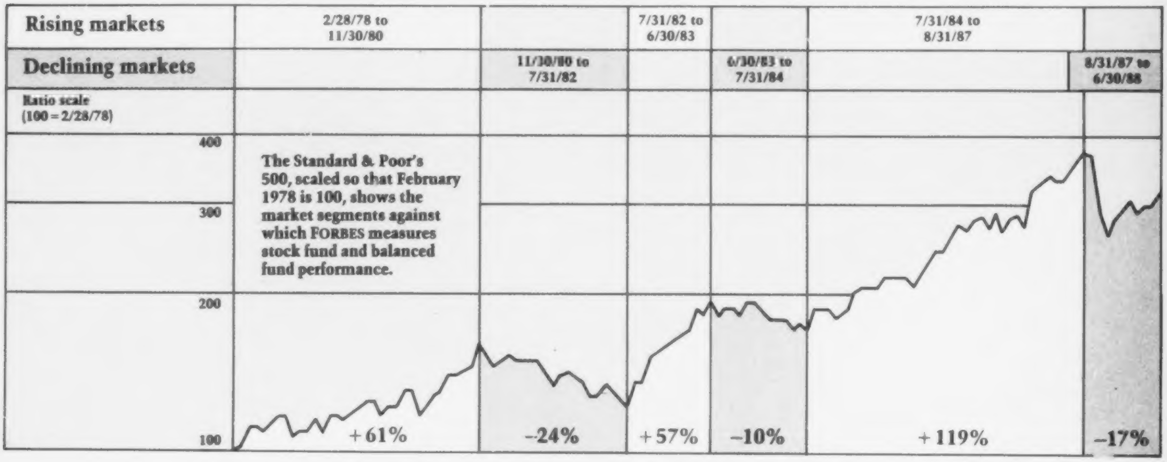
A weakness in any rating system is that it necessarily must focus on the fund rather than on the Kenneth Heebners or Erik Bergstroms who run it. But investors should not ignore the matter of personnel. That's why we list the lead portfolio manager for each fund, along with the number of years he's been in that position. Some fund sponsors, fearful that the departure of a star manager might cause customers to desert, run funds with anonymous committees. Some of these committees deliver excellent results, but it's hard to know if the talent responsible for the past record is still around. Another common situation is typified by our experience with Putnam Vista Basic Value. It was like pulling teeth to find out how long Ronald Clark has been manager. Not surprising, since he's fairly new to the top spot. Whether Clark can do as well as his predecessors remains to be seen. For now, investors would do well to wait and see.—**Ronit Addis**

Minimum initial investment[1]	Weighted average P/E[2]	% of assets in cash	Portfolio turnover[3]	Average annual total return[4]	Hypothetical investment results[5]	Fund (consecutive years on honor roll)
$4,000	25	7.0%	52%	19.8%	$50,417	**Acorn Fund** (5)
1,000	21	21.0	12	20.7	53,014	**Amcap Fund** (9)
500	21	4.0	44	22.4	57,988	**American Capital Pace Fund** (6)
NA	NA	5.0	25	24.0	78,801	**Claremont Capital** (5)
1,000	19	3.0	12	19.5	48,200	**Dodge & Cox Stock Fund** (1)
NA	18	3.6	92	22.3	48,722	**Fidelity Destiny Portfolio I** (6)
1,000	17	4.5	101	32.4	137,472	**Fidelity Magellan Fund** (7)
1,000	30	13.0	20	21.5	60,917	**Growth Fund of America** (5)
300	16	8.0	50	19.9	45,766	**Guardian Park Ave Fund** (1)
2,000	20	23.0	113	21.9	52,633	**IDS New Dimensions Fund** (1)
1,000	27	11.0	395	22.1	52,347	**Lehman Capital Fund** (1)
1,000	18	33.0	154	24.4	68,218	**New England Growth Fund** (4)
1,000	19	3.0	22	22.0	49,613	**New York Venture Fund** (1)
500	16	13.0	32	21.6	61,366	**Nicholas Fund** (7)
500	17	0.8	117	20.2	44,703	**Putnam Vista Basic Value** (1)
500	18	15.0	26	21.6	64,809	**Shearson Lehman Appreciation Fund** (3)
none	17	14.6	10	19.3	51,533	**Sigma Capital Shares** (1)
500	21	17.0	161	22.8	57,209	**United Vanguard Fund** (4)
1,000	17	2.4	148	18.5	43,241	**Value Line Leveraged Growth Inv** (3)

[6] Closed-end funds have no loads, but hypothetical results column assumes a 1% brokerage fee to buy shares. [7] Operates as a contractual plan, requiring monthly investment, with a decreasing load as investment grows. Hypothetical investment result assumes a single investment of $10,000 on 2/28/78, with a 10.77% simulated load that reflects both sales and account maintenance charges. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* NA: not available or not applicable.

Stock funds

Forbes rates stock funds over a period of slightly more than ten years, comprising three market cycles shown below. A fund must have been in existence for at least two market cycles, that is, since July 30, 1982, to be rated. A ● preceding a performance rating indicates a two-period rating. Foreign stock funds, a category that includes most gold funds, are rated separately against a different benchmark (see page 210). For more information about a fund, call the distributor listed after the fund name, using the table of distributors that begins on page 250. Closed-end funds have no distributor; they are bought and sold through a broker in the secondary market, like shares of industrial companies (see story, page 158.) The average annual return is compounded; it and other performance numbers are after expenses, but before sales load.



Performance in UP markets	in DOWN markets	Fund/distributor	Total return: Annual average 1978 to 1988	Total return: Last 12 months	Yield	Assets: 6/30/88 (millions)	Assets: % change '88 vs '87	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	16.9%	–6.9%	3.3%				
		Forbes stock fund composite	16.4%	–5.6%	2.7%				$1.49
		AARP Growth–Capital Growth/Scudder	—*	–0.6%	0.7%	$94	–6%	none	$1.24p
		AARP Growth–Growth & Income/Scudder	—*	–6.2	4.3	247	–23	none	1.08p
B	D	**ABT Growth & Income Trust/Palm Beach**	15.7%	–0.2	3.5	115	–18	4.75%	*1.27*
		ABT Invest–Emerging Growth/Palm Beach	—*	–15.1	none	26	–46	4.75	*1.57*
		ABT Invest–Security Income/Palm Beach	—*	–17.4	2.4	10	–41	4.75	*2.04p*
●D	A	**ABT Utility Income Fund/Palm Beach**	—*	5.5	6.6	118	–12	4.75	*1.32*
B	B	**Acorn Fund/Acorn**	19.8	2.0	1.4	530	1	none	0.82
		Adam Investors/Conway, Luongo	—*	–5.9	10.2	6	–43	none	2.20
D	B	**Adams Express/closed end**	15.8	–6.6	3.2	476	–14	NA	0.53

A stock fund is added to this list if it has at least $5 million in net assets and, if open-end, is at least 12 months old; a fund is dropped when its assets fall below $2 million. Stock funds are graded only if in operation since 7/31/82. Long-term average total return is for 2/28/78 to 6/30/88. Yield is last 12 months' income dividends divided by 6/30/88 net asset value; it may differ from "yield" as defined by the SEC. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* ● Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. ‡Exchange fund, not currently selling new shares. p: Net of partial absorption of expenses by fund sponsor. b: Includes back-end load that reverts to fund. r: Includes back-end load that reverts to distributor. NA: Not applicable or not available.

Table of distributors, showing addresses and phone numbers, begins on page 250.

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Total return: Annual average 1978 to 1988	Total return: Last 12 months	Yield	Assets 6/30/88 (millions)	Assets % change '88 vs '87	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	16.9%	–6.9%	3.3%				
		Forbes stock fund composite	16.4%	–5.6%	2.7%				$1.49
		Advantage Growth Fund/Advest	—*	–9.7%	1.5%	$27	–9%	4.00%r	*$2.29*
C	B	**Affiliated Fund/Lord Abbett**	17.7%	–5.3	5.1	3,442	–14	7.25	0.37
D	D	**Afuture Fund/Afuture**	11.1	–17.5	0.9	9	–32	none	1.60p
		Alger Fund–Growth/Alger	—*	–12.5	none	6	–3	5.00r	*3.00p*
		Alliance Counterpoint Fund/Alliance	—*	–5.7	2.1	45	–15	5.50	*1.76p*
D	B	**Alliance Dividend Shares/Alliance**	16.0	–3.9	4.0	343	–15	5.50	*1.02*
C	C	**Alliance Fund/Alliance**	15.4	0.0	2.0	821	–13	5.50	*0.76*
•A	•D	**Alliance Technology Fund/Alliance**	—*	–4.9	none	197	–2	5.50	*1.31p*
D	D	**AMA Growth–Classic Growth/AMA**	11.7	–9.8	2.2	39	–18	none	*1.65*
		AMA Growth–Growth plus Inc/AMA	—*	–7.7	3.1	14	–9	none	*1.60*
B	B	**Amcap Fund/American Funds**	20.7	–3.3	2.1	1,726	–9	5.75	*0.63*
C	A	**American Capital Comstock/American Cap**	20.1	–10.3	2.8	930	–20	8.50	0.57
A	D	**American Capital Enterprise/American Cap**	19.5	–11.2	2.2	542	–25	8.50	0.58
C	C	**American Capital Exchange Fund/‡**	14.7	–3.9	2.0	42	–21	none	0.70
		American Capital Income Trust/closed end	—*	—*	—*	136	—	NA	NA
		American Capital OTC Secs/American Cap	—*	–34.3	none	46	–51	8.50	1.28p
B	A	**American Capital Pace Fund/American Cap**	22.4	–11.8	3.8	2,488	–17	8.50	0.60
D	A	**American Capital Venture/American Cap**	17.9	–13.2	3.1	228	–32	8.50	0.82
D	B	**American Growth Fund/American Growth**	14.5	–9.5	2.4	66	–15	8.50	1.28
C	F	**American Investors Growth/Amer Investors**	6.5	–7.1	0.8	60	–17	none	*1.66*
D	A	**American Leaders Fund/Federated**	16.8	–2.1	3.3	160	–11	4.50	1.00p
D	A	**American Mutual Fund/American Funds**	18.8	1.3	4.6	2,616	–3	5.75	*0.47*
B	C	**American National Growth/Securities Mgmt**	17.0	–7.3	2.2	105	–11	8.50	1.20
D	A	**American National Income/Securities Mgmt**	15.4	–6.1	4.1	69	–16	8.50	1.00p
		American Pension–Growth/Amer Pension	—*	–3.2	0.3	29	32	none	*2.21p*
		American Telecom–Growth/Shearson	—*	–6.7	6.3	32	–26	5.00b	1.06
		American Telecom–Income/‡	—*	10.3	7.2	86	–6	none	0.97
A	C	**AMEV Capital Fund/AMEV**	20.5	–13.6	1.4	122	–16	8.50	1.07
•A	•C	**AMEV Fiduciary Fund/AMEV**	—*	–14.8	0.2	33	–8	4.50	*1.39*
A	C	**AMEV Growth Fund/AMEV**	23.0	–16.1	0.5	202	–21	8.50	0.99
D	C	**Amway Mutual Fund/Amway**	11.4	–8.0	1.6	36	–13	6.50	1.10
•D	A	**Analytic Optioned Equity Fund/Analytic Option**	—*	1.7	3.8	98	15	none	1.17
C	C	**Armstrong Associates/Armstrong**	15.6	–1.8	1.9	10	–15	none	1.70
		Associated Planners Stock Fund/Assoc Plan	—*	–6.6	0.2	11	11	4.75	2.15p
A	F	**Axe-Houghton Stock Fund/Axe Securities**	13.3	–25.7	0.7	66	–29	none	*1.41*
		Ayco Fund–Risk/Mercer	—*	–6.6	none	10	–25	none	*2.41*

A stock fund is added to this list if it has at least $5 million in net assets and, if open-end, is at least 12 months old; a fund is dropped when its assets fall below $2 million. Stock funds are graded only if in operation since 7/31/82. Long-term average total return is for 2/28/78 to 6/30/88. Yield is last 12 months' income dividends divided by 6/30/88 net asset value; it may differ from "yield" as defined by the SEC. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* • Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. ‡Exchange fund, not currently selling new shares. p: Net of partial absorption of expenses by fund sponsor. b: Includes back-end load that reverts to fund. r: Includes back-end load that reverts to distributor. NA: Not applicable or not available.

Table of distributors, showing addresses and phone numbers, begins on page 250.

1988 Fund Ratings/Stock

Performance			Total return			Assets			
in UP markets	in DOWN markets	Fund/distributor	Annual average 1978 to 1988	Last 12 months	Yield	6/30/88 (millions)	% change '88 vs '87	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	16.9%	–6.9%	3.3%				
		Forbes stock fund composite	16.4%	–5.6%	2.7%				$1.49
		Babson Enterprise Fund/Jones & Babson	—*	–0.9%	0.3%	$52	–8%	none	$1.35
C	C	**Babson Growth Fund/Jones & Babson**	14.5%	–6.4	3.9	209	–28	none	0.74
		Babson Value Fund/Jones & Babson	—*	–3.5	3.9	12	–20	none	1.08
		Baird Blue Chip Fund/Baird	—*	–6.1	0.2	19	73	3.50%	*2.60*
		Baird Capital Development Fund/Baird	—*	–5.7	none	20	–6	3.50	*2.50*
B	C	**Baker, Fentress & Co/closed end**	17.5	–7.2	2.3	410	–13	NA	0.49
		Bankers Sys Granit–Grow Stk/Bankers Sys	—*	–6.4	none	10	–11	none	*2.52p*
		Bartlett Capital Trust–Basic Value/Bartlett	—*	–0.8	2.9	83	–16	none	1.57
		Bascom Hill Investors/Madison	—*	–4.0	4.7	8	–8	none	1.15
D	C	**Beacon Hill Mutual Fund/Beacon Hill**	11.9	–17.2	none	3	–18	none	4.00
		Bench Portfolios–Blue Chip/Bench	—*	–8.5	2.5	6	–63	2.00	*1.89*
		Berwyn Fund/Berwyn	—*	–4.7	0.4	11	28	1.00b	1.52
		Blue Chip Value Fund/closed end	—*	–18.9	2.7	69	–21	NA	2.12
C	B	**Boston Co Capital Appreciation/Boston Co**	16.7	–1.0	2.0	492	–13	none	*0.95p*
		Boston Co Special Growth Fund/Boston Co	—*	–5.7	3.7	35	–22	none	*1.49*
		Brandywine Fund/Brandywine	—*	–4.0	none	126	28	none	1.20
•C	B	**Bridges Investment Fund/Bridges**	—*	–8.2	4.0	9	–2	1.00b	1.15
B	D	**Bull & Bear Capital Growth/Bull & Bear**	14.5	–10.0	none	67	–29	none	*2.20p*
D	B	**Bull & Bear Equity-Income Fund/Bull & Bear**	13.0	–1.3	3.9	14	–24	none	*2.57p*
		Calamos Convertible Income/Calamos Finl	—*	–3.7	6.5	25	–6	none	1.20
		Calvert Ariel Growth Fund/Calvert	—*	26.6	0.3	14	190	4.50	*1.23p*
		Calvert Fund–Equity/Calvert	—*	–5.6	0.6	9	–17	none	*2.00*
		Calvert–Washington Area Growth/Calvert	—*	–3.7	none	20	–13	6.00r	*2.25p*
B	C	**Capital Exchange Fund/‡**	16.7	–6.7	1.9	72	–18	none	0.75
		Capstone Equity Guard Stock[1]/Capstone	—*	–3.0	0.4	11	–51	4.75	2.06
C	B	**Cardinal Fund/Ohio Co**	18.1	–0.9	3.5	130	0	8.50	0.65
		Carnegie-Cappiello Trust–Growth/Carnegie	—*	0.7	2.2	44	–22	4.50	*1.70*
		Carnegie-Cappiello–Total Return/Carnegie	—*	–0.9	6.7	66	–27	4.50	*1.77*
		Cashman Farrell Value Fund/Capstone	—*	8.5	3.0	9	13	4.75	1.57
B	C	**Central Securities/closed end**	18.3	0.4	5.3	125	–9	NA	0.87
D	A	**Century Shares Trust/Century Shares**	15.9	–4.5	3.1	116	–20	none	0.81
B	C	**Charter Fund/AIM**	18.3	–11.0	2.3	71	–29	4.75	*1.34*
B	B	**Chestnut Street Exchange Fund/‡**	17.9	–4.0	2.1	143	–10	none	0.60
		Cigna Aggressive Growth Fund/Cigna	—*	–3.5	none	16	–26	5.00	*1.20p*
C	C	**Cigna Growth Fund/Cigna**	15.5	–9.3	1.6	204	–23	5.00	*0.84*
		Cigna Value Fund/Cigna	—*	3.3	1.7	61	–2	5.00	*1.00p*

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Table of distributors, showing addresses and phone numbers, begins on page 250.

1988 Fund Ratings/Stock

Performance			Total return			Assets			
in UP —markets—	in DOWN	Fund/distributor	Annual average 1978 to 1988	Last 12 months	Yield	6/30/88 (millions)	% change '88 vs '87	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	16.9%	–6.9%	3.3%				
		FORBES stock fund composite	16.4%	–5.6%	2.7%				$1.49
B	A	**Claremont Capital/closed end**	24.0%	–3.5%	0.8%	$59	–15%	NA	$1.01
		Clipper Fund/Pacific Finl	—*	4.7	4.5	80	–11	2.00%b	1.25p
•C	•B	**Colonial Equity Income Trust/Colonial**	—*	–1.0	5.6	17	–2	6.75	1.70
B	C	**Colonial Growth Shares Trust/Colonial**	17.7	–0.4	1.9	92	–7	6.75	1.00
		Colonial Small Stock Index Trust/Colonial	—*	–2.3	0.6	45	17	4.75	*1.35*
D	B	**Colonial Strategic Inc–Diversified/Colonial**	12.4	–0.5	4.9	771	–26	6.75	1.00
		Colonial Strategic Inc–Inc Plus/Colonial	—*	–7.0	3.3	145	–29	6.75	1.06
		Colonial US Equity Index Trust/Colonial	—*	–7.9	2.5	42	17	4.75	*1.25*
A	C	**Columbia Growth Fund/Columbia**	20.0	0.1	1.6	220	–12	none	1.04
		Columbia Special Fund/Columbia	—*	–3.1	none	27	–18	none	1.44
		Common Sense–Growth/Common Sense	—*	–8.0	none	429	509	8.50	2.08
		Common Sense–Grow & Inc/Common Sense	—*	–10.4	2.3	146	463	8.50	1.72
D	A	**Commonwealth Indenture A & B/Trusteed**	14.2	–0.7	4.7	10	–8	7.50	0.19p
D	A	**Commonwealth Indenture C/Trusteed**	12.7	–1.0	5.2	38	–12	7.50	0.74p
C	A	**Composite Growth Fund/Murphey Favre**	19.2	0.3	4.8	70	–11	4.00	*0.90*
		Composite Select–Northwest/Murphey Favre	—*	–3.0	0.8	8	38	4.00	*1.36*
		Composite Select–Value/Murphey Favre	—*	–13.6	2.1	6	–32	4.00	*1.30*
		Connecticut Mutual–Growth/Conn Mutual	—*	–9.1	1.9	26	–1	6.25	1.21
		Conn Mutual–Tot Return/Conn Mutual	—*	–4.3	3.8	54	9	6.25	1.09
A+	F	**Constellation Growth Fund/AIM**	22.6	–8.6	none	103	–31	4.75	1.10
		Continental Equity Plus Fund/Continental	—*	–17.1	2.9	10	–13	5.50r	*2.29p*
		Continental Option Income Plus/Continental	—*	–2.6	2.3	54	344	5.50r	*2.29p*
•D	•A	**Copley Fund/Copley**	—*	–2.1	none	25	–19	none	1.90p
B	B	**Corp Leaders Tr Fund Cert Ser B/Lexington**	17.0	–8.3	2.7	77	–13	†	0.08
		Counsellors Tandem Securities/closed end	—*	–3.5	1.5	84	–2	NA	1.35
C	C	**Country Capital Growth Fund/Country Cap**	14.1	–6.7	3.9	68	–14	7.50	0.96
		Cowen Income + Growth Fund/Cowen	—*	–2.2	4.7	31	2	5.00r	2.12
		Criterion Lowry Market Timing/Criterion	—*	3.7	4.7	29	–19	4.75	*1.92p*
C	D	**Criterion Pilot Fund/Criterion**	14.2	–13.1	0.4	57	–27	4.75	*1.26*
•C	•C	**Criterion Sunbelt Growth Fund/Criterion**	—*	–11.3	1.1	43	–40	4.75	*1.74*
		Criterion Technology Fund/Criterion	—*	0.3	none	6	40	4.75	*2.50p*
		Cypress Fund/closed end	—*	–4.6	1.1	90	–10	NA	1.28
•B	D	**Dean Witter American Value/Dean Witter**	—*	–5.1	2.0	103	–17	5.00r	*1.62*
		Dean Witter Devel Grow Secs/Dean Witter	—*	0.1	none	124	–26	5.00r	*1.91*

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Table of distributors, showing addresses and phone numbers, begins on page 250.

1988 Fund Ratings/Stock

Performance in UP markets	**Performance** in DOWN markets	Fund/distributor	Total return: Annual average 1978 to 1988	Total return: Last 12 months	Yield	Assets: 6/30/88 (millions)	Assets: % change '88 vs '87	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	16.9%	−6.9%	3.3%				
		Forbes stock fund composite	16.4%	−5.6%	2.7%				$1.49
•C	•A	**Dean Witter Div Grow Secs/Dean Witter**	—*	−3.4%	3.8%	$1,781	−13%	5.00%r	*$1.55*
•D	•C	**Dean Witter Natural Res Dev/Dean Witter**	—*	−3.5	2.0	165	−8	5.00r	*1.81*
		Dean Witter Option Income/Dean Witter	—*	−7.5	2.0	341	−37	5.00r	*1.94*
C	A	**Delaware Group Decatur Fund–I[1]/Delaware**	17.8%	−3.9	5.7	1,536	−6	8.50	0.69
		Delaware Group Decatur Fund–II/Delaware	—*	−5.0	3.4	185	38	4.75	*1.27p*
		Delaware Group DelCap–Concept I/Delaware	—*	7.1	3.0	118	29	4.75	*1.49*
C	B	**Delaware Group Trend Fund[2]/Delaware**	16.5	−10.9	none	60	−24	8.50	1.20
B	D	**Depositors Fund of Boston/‡**	15.1	−6.7	1.6	55	−17	none	0.81
		Depositors Invest–Capital Grow/Putnam	—*	−8.3	1.0	13	−15	none	*1.33*
B	C	**Diversification Fund/‡**	16.3	−5.6	1.3	62	−16	none	0.75
•D	•B	**Dividend/Growth–Dividend/Dividend Growth**	—*	−11.6	3.2	4	−27	none	*1.99*
A	B	**Dodge & Cox Stock Fund/Dodge & Cox**	19.5	−0.8	3.0	75	6	none	0.65
		Dover Regional Financial Shares/closed end	—*	0.8	1.6	7	−3	NA	1.80
C	B	**Drexel Burnham Fund/Drexel**	17.3	−2.0	4.3	204	−11	5.00	1.00
		Drexel Series–Convertible Secs/Drexel	—*	−10.8	5.5	25	−38	5.00r	*2.10*
		Drexel Series–Emerging Growth/Drexel	—*	−25.1	none	15	−56	5.00r	*2.36*
		Drexel Series–Growth/Drexel	—*	−3.0	1.8	33	−22	5.00r	*2.10*
		Drexel Series–Option Income/Drexel	—*	−3.2	3.0	33	−30	5.00r	*2.01*
		Dreyfus Capital Value Fund/Dreyfus	—*	11.1	1.2	488	NM	4.50	*1.65*
D	B	**Dreyfus Fund/Dreyfus**	16.7	−2.5	5.2	2,648	−2	none	0.71
		Dreyfus General Aggressive Grow/Dreyfus	—*	−1.0	1.0	45	−9	none	*1.63*
A	D	**Dreyfus Growth Opportunity Fund/Dreyfus**	17.5	−2.1	3.9	599	8	none	0.91
		Dreyfus Index Fund/Dreyfus	—*	−6.4	2.4	33	47	none	NA
B	C	**Dreyfus Leverage Fund/Dreyfus**	17.5	−9.0	2.9	497	−16	4.50	1.23
		Dreyfus New Leaders Fund/Dreyfus	—*	−3.6	0.4	120	2	none	*1.41*
		Dreyfus Strategic Aggres Inv LP/Dreyfus	—*	17.3	none	155	NM	3.00	NA
		Dreyfus Strategic Investing/Dreyfus	—*	−3.3	1.2	117	3	4.50	*1.59p*
B	D	**Dreyfus Third Century Fund/Dreyfus**	16.0	−3.9	6.0	156	−11	none	1.02
D	B	**Eagle Growth Shares/Fahnestock**	10.9	7.9	none	2	−31	8.50	2.26p
D	B	**Eaton & Howard Stock Fund/Eaton Vance**	14.8	−2.6	3.5	79	−10	7.25	0.95
B	B	**Eaton Vance Growth Fund/Eaton Vance**	17.9	−5.7	0.8	89	−12	4.75	1.02
D	B	**Eaton Vance Special Equities/Eaton Vance**	16.6	−2.6	none	35	−14	7.25	1.16
•C	•B	**Eaton Vance Total Return Trust/Eaton Vance**	—*	−11.4	9.4	516	−26	4.75	*1.03*
		Eclipse Equity Fund/Eclipse	—*	4.4	4.7	160	5	none	1.09p
		Emerging Medical Technology/AMA	—*	−20.1	none	7	−43	4.75	*3.61*
C	C	**Energy Fund/Neuberger**	15.0	−8.6	3.4	389	−18	none	0.86

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Table of distributors, showing addresses and phone numbers, begins on page 250.

1988 Fund Ratings/Stock

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Total return: Annual average 1978 to 1988	Total return: Last 12 months	Yield	Assets: 6/30/88 (millions)	Assets: % change '88 vs '87	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	16.9%	–6.9%	3.3%				
		Forbes stock fund composite	16.4%	–5.6%	2.7%				$1.49
A+	D	**Engex/closed end**	20.3%	–27.7%	none	$12	–47%	NA	$6.68
C	B	**Enterprise Group–Growth[1]/Enterprise**	18.6	1.6	0.7%	39	18	5.00%r	*1.70p*
		Equitec Siebel Aggressive Growth/Equitec	—*	–4.4	4.8	44	–2	5.00r	*2.50p*
		Equitec Siebel Total Return Fund/Equitec	—*	–1.5	2.3	152	8	5.00r	*2.13p*
•C	•D	**Equity Strategies Fund/EQSF**	—*	–11.9	none	52	–14	†	2.40
A	C	**Evergreen Fund/Lieber**	22.8	–0.6	2.0	740	–5	none	1.04p
•C	A	**Evergreen Total Return Fund/Lieber**	—*	–1.6	5.4	1,381	–20	none	1.01p
		Evergreen Value Timing Fund/Lieber	—*	1.9	1.6	23	2	none	1.76
B	C	**Exchange Fund of Boston/‡**	16.7	–4.5	1.6	57	–20	none	0.76
A	D	**Fairfield Fund/National Secs**	15.7	–6.3	1.6	44	–16	8.50	1.20
•B	•B	**Fairmont Fund/Fairmont**	—*	–11.2	1.0	82	–26	none	1.18
D	C	**FBL–Growth Common Stock[2]/FBL Investment**	10.9	–11.7	9.4	48	–16	5.00r	*1.20*
B	C	**Federated Exchange Fund/‡**	17.4	–7.7	2.6	95	–15	none	0.92
		Federated Growth Trust/Federated	—*	3.7	1.2	114	–20	none	1.00p
		Federated High Quality Stock/Federated	—*	–5.1	2.4	28	–19	1.75r	*1.25p*
•A	•A	**Federated Stock Trust/Federated**	—*	–6.2	3.0	642	–14	none	0.89
		Federated Utility Trust/Federated	—*	2.8	6.4	10	48	none	1.04
		Fidelity Capital Appreciation/Fidelity	—*	10.3	0.2	1,444	30	3.00r	1.57
B	B	**Fidelity Congress Street Fund/‡**	19.2	–7.7	3.8	55	–16	none	0.65
B	C	**Fidelity Contrafund/Fidelity**	15.0	–10.9	none	99	–29	none	0.92
A	B	**Fidelity Destiny Portfolio I/Fidelity**	22.3	–1.7	3.1	1,440	–1	**	0.50
		Fidelity Destiny Portfolio II/Fidelity	—*	–0.3	0.5	78	109	**	1.09
C	A	**Fidelity Equity-Income Fund/Fidelity**	20.8	1.6	5.8	4,105	–2	2.00	0.66
B	C	**Fidelity Exchange Fund/‡**	16.7	–9.2	4.0	144	–18	none	0.60
		Fidelity Freedom Fund/Fidelity	—*	–2.8	1.8	1,356	0	none	0.97
C	B	**Fidelity Fund/Fidelity**	17.3	–4.4	3.1	936	–16	none	0.67
		Fidelity Growth & Income/Fidelity	—*	1.1	4.4	1,268	–15	2.00	1.09
		Fidelity Growth Company/Fidelity	—*	–4.9	0.1	148	–17	3.00	1.16
A+	A	**Fidelity Magellan Fund/Fidelity**	32.4	–5.1	0.7	9,257	–15	3.00	1.14
		Fidelity OTC Portfolio/Fidelity	—*	–1.8	0.1	968	–19	3.00	1.44
		Fidelity Plymouth–Income & Growth/Fidelity	—*	4.4	4.5	37	29	4.00	2.01
		Fidelity Real Estate Investment/Fidelity	—*	–4.2	7.5	71	–31	2.00	1.50
		Fidelity Select–Air Transportation/Fidelity	—*	–14.3	0.2	8	–60	3.00r	2.62p
		Fidelity Select–American Gold/Fidelity	—*	–4.6	0.4	209	–15	3.00r	2.33p
		Fidelity Select–Automation Mach/Fidelity	—*	–11.9	0.2	5	168	3.00r	2.57p
		Fidelity Select–Automotive/Fidelity	—*	2.5	0.3	9	70	3.00r	2.49p

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Table of distributors, showing addresses and phone numbers, begins on page 250.

1988 Fund Ratings/Stock

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Total return: Annual average 1978 to 1988	Total return: Last 12 months	Yield	Assets 6/30/88 (millions)	Assets % change '88 vs '87	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	16.9%	–6.9%	3.3%				
		Forbes stock fund composite	16.4%	–5.6%	2.7%				$1.49
		Fidelity Select–Biotechnology/Fidelity	—*	–21.8%	none	$45	–34%	3.00%r	$2.15p
		Fidelity Select–Broadcast & Media/Fidelity	—*	3.4	0.1%	17	–52	3.00r	2.48p
		Fidelity Select–Brokerage & Inv/Fidelity	—*	–27.8	0.5	7	–37	3.00r	2.58p
		Fidelity Select–Capital Goods/Fidelity	—*	–12.4	none	8	147	3.00r	2.65p
		Fidelity Select–Chemicals/Fidelity	—*	6.0	none	158	8	3.00r	1.93
		Fidelity Select–Computers/Fidelity	—*	–19.8	0.1	30	–37	3.00r	2.62p
		Fidelity Select–Defense & Aero/Fidelity	—*	–19.0	none	2	–40	3.00r	2.33p
		Fidelity Select–Electric Utilities/Fidelity	—*	0.7	4.5	26	282	3.00r	2.49p
		Fidelity Select–Electronics/Fidelity	—*	–19.4	none	19	84	3.00r	2.54p
•D	•B	**Fidelity Select–Energy/Fidelity**	—*	–10.2	0.2	88	–40	3.00r	2.09p
		Fidelity Select–Energy Service/Fidelity	—*	–37.0	none	24	–88	3.00r	2.71p
•B	•B	**Fidelity Select–Financial Services/Fidelity**	—*	–9.8	0.4	32	–47	3.00r	2.47
		Fidelity Select–Food & Agriculture/Fidelity	—*	–4.9	0.2	10	–49	3.00r	2.45p
•A	•D	**Fidelity Select–Health Care/Fidelity**	—*	–18.5	none	204	–49	3.00r	1.64
		Fidelity Select–Housing/Fidelity	—*	–9.1	none	8	181	3.00r	2.70p
		Fidelity Select–Industrial Materials/Fidelity	—*	–4.5	0.1	49	24	3.00r	2.43
		Fidelity Select–Leisure/Fidelity	—*	–4.8	none	59	–64	3.00r	1.96
		Fidelity Select–Medical Delivery/Fidelity	—*	–16.7	0.3	3	–67	3.00r	2.48p
		Fidelity Select–Paper & Forest Prod/Fidelity	—*	–10.4	0.3	19	–66	3.00r	2.52p
•B	•F	**Fidelity Select–Prec Metals & Mins/Fidelity**	—*	–22.2	0.6	226	–44	3.00r	2.02p
		Fidelity Select–Prop & Casualty/Fidelity	—*	–6.3	1.3	4	–60	3.00r	2.48p
		Fidelity Select–Regional Banks/Fidelity	—*	4.2	0.6	12	163	3.00r	2.48p
		Fidelity Select–Retailing/Fidelity	—*	–6.7	1.9	9	–79	3.00r	2.47p
		Fidelity Select–Savings & Loan/Fidelity	—*	–7.7	none	7	–70	3.00r	2.57p
		Fidelity Select–Software & Comp/Fidelity	—*	–5.8	none	23	–61	3.00r	2.51p
•C	•F	**Fidelity Select–Technology/Fidelity**	—*	–21.4	none	143	–44	3.00r	1.76p
		Fidelity Select–Telecom/Fidelity	—*	7.0	0.1	36	27	3.00r	2.48p
•D	•A	**Fidelity Select–Utilities/Fidelity**	—*	2.7	1.7	94	–9	3.00r	1.94
		Fidelity Special Situations–Initial/Fidelity	—*	–1.0	1.6	20	–33	††	1.53
		Fidelity Special Sits–Plymouth/Fidelity	—*	–1.3	1.6	207	–17	4.00	*1.70*
C	C	**Fidelity Trend Fund/Fidelity**	15.5%	–3.3	1.1	767	–6	none	0.49
•B	B	**Fidelity Value Fund/Fidelity**	—*	–8.4	none	91	–28	none	1.23
•D	•C	**Fiduciary Capital Growth/Fiduciary Mgmt**	—*	–1.1	0.9	44	–19	none	1.10
B	C	**Fiduciary Exchange Fund/‡**	17.7	–4.6	1.8	55	–11	none	0.79
C	D	**Financial Dynamics Fund/Financial Prog**	13.6	–18.2	0.3	123	25	none	1.02
		Financial Independence–Growth/MGF	—*	–19.1	none	18	–38	4.75	*1.71*

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Table of distributors, showing addresses and phone numbers, begins on page 250.

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Total return: Annual average 1978 to 1988	Total return: Last 12 months	Yield	Assets 6/30/88 (millions)	Assets % change '88 vs '87	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	16.9%	–6.9%	3.3%				
		Forbes stock fund composite	16.4%	–5.6%	2.7%				$1.49
C	D	**Financial Industrial Fund/Financial Prog**	14.4%	–11.8%	1.8%	$357	–21%	none	$0.77
D	A	**Financial Industrial Income/Financial Prog**	16.2	–1.2	4.5	381	–16	none	0.78
		Financial Strategic–Energy/Financial Prog	—*	–16.8	1.5	7	–65	none	1.30
		Financial Strategic–Gold/Financial Prog	—*	–28.4	1.1	30	–30	none	1.21
		Financial Strategic–Health Sci/Financial Prog	—*	–12.1	none	14	–28	none	1.40
		Financial Strategic–Leisure/Financial Prog	—*	2.1	none	6	–19	none	1.50p
		Financial Strategic–Technology/Financial Prog	—*	–12.4	none	20	–36	none	1.47
		Financial Strategic–Utilities/Financial Prog	—*	1.6	5.9	27	55	none	1.39
		First Eagle Fund of America/First Eagle	—*	7.6	0.6	49	–69	1.00%b	*2.80*
		First Financial Fund/closed end	—*	–1.1	2.0	79	–5	NA	1.46
D	D	**First Investors Discovery Fund/First Inv**	9.7	–19.9	none	25	–30	8.50	*1.42*
D	F	**First Investors Fund for Growth/First Inv**	8.1	–20.5	0.7	39	–35	8.50	*1.13*
F	A	**First Investors Option Fund/First Inv**	10.4	–9.2	3.3	167	–26	7.25	*1.20*
		First Investors Value Fund/First Inv	—*	–8.7	0.7	10	51	8.50	*1.77*
		Flag Investors Corporate Cash/Brown	—*	6.7	8.7	37	–36	none	*1.30p*
		Flag Investors Telephone Income/Brown	—*	9.8	5.0	104	2	††	*0.88*
		Flex-funds–Growth Fund/Flex	—*	–9.4	2.0	16	12	none	*1.48*
		Flex-funds–Income & Growth Fund/Flex	—*	–7.2	5.9	4	–30	none	*1.00p*
		Flex-funds–Retirement Growth/Flex	—*	–15.1	2.6	80	–14	none	*1.34*
•C	F	**44 Wall Street Equity Fund/44 Secs**	—*	–43.3	none	5	–61	1.00	2.46
D	F	**44 Wall Street Fund/44 Secs**	–5.3	–44.4	none	7	–66	0.25r	5.06
C	C	**Founders Blue Chip[1]/Founders**	14.3	–12.5	2.6	174	–24	none	*0.98*
D	A+	**Founders Equity Income Fund/Founders**	13.6	–4.2	4.9	13	–18	none	*1.84*
		Founders Frontier Fund/Founders	—*	18.6	none	9	93	none	*2.25p*
A	C	**Founders Growth Fund/Founders**	18.6	–10.9	1.7	65	–29	none	*1.54*
A	D	**Founders Special Fund/Founders**	16.9	–7.2	0.6	77	–12	none	1.14
C	B	**FPA Capital Fund/Angeles Secs**	15.6	14.0	1.2	68	16	6.50	0.89
D	A	**FPA Paramount Fund/Angeles Secs**	19.9	13.2	2.4	139	3	6.50	1.06
		FPA Perennial Fund/Angeles Secs	—*	3.0	3.4	53	–19	6.50	1.11
C	C	**Franklin DynaTech Fund/Franklin**	16.6	–0.7	0.5	39	–15	4.00	0.85
B	C	**Franklin Equity Fund/Franklin**	18.1	–0.7	1.7	342	14	4.00	0.70
D	B	**Franklin Growth Fund/Franklin**	16.3	4.7	2.0	109	25	4.00	0.78
		Franklin Holding Corp/closed end	—*	–6.2	none	16	–7	NA	7.69
		Franklin Mngd Trust Rising Divs/Franklin	—*	5.9	5.4	34	20	3.00	*1.79*
D	B	**Franklin Option Fund/Franklin**	15.1	0.7	2.7	47	14	4.00	0.84
F	A+	**Franklin Utilities Fund/Franklin**	13.8	2.8	7.5	625	–4	4.00	0.63

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Table of distributors, showing addresses and phone numbers, begins on page 250.

1988 Fund Ratings/Stock

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Total return: Annual average 1978 to 1988	Total return: Last 12 months	Yield	Assets: 6/30/88 (millions)	Assets: % change '88 vs '87	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average Forbes stock fund composite	16.9% 16.4%	–6.9% –5.6%	3.3% 2.7%				$1.49
		Freedom Equity Value Fund/Tucker Anthony	—*	–0.7%	0.9%	$15	–7%	3.00%r	*$2.68*
		Freedom Inv–Gold & Govt/Tucker Anthony	—*	5.0	4.9	84	4	3.00r	*1.94*
		Freedom Inv–Regional Bank/Tucker Anthony	—*	5.3	1.1	45	–14	3.00r	*2.26*
C	B	Fund of America/American Cap	19.1%	–5.5	2.0	185	–4	8.50	0.71
C	D	Fund of the Southwest/Capstone	15.2	–6.0	0.3	15	–10	4.75	1.50p
B	B	Fundamental Investors/American Funds	17.4	–6.8	2.6	667	–4	5.75	*0.63*
		FundTrust–Aggressive Growth/Furman Selz	—*	–5.7	1.6	29	–39	1.50	*1.50p*
		FundTrust–Growth/Furman Selz	—*	–3.2	2.8	49	11	1.50	*1.64p*
		Gabelli Asset Fund/Gabelli	—*	12.0	1.0	111	28	2.00b	*1.26p*
		Gabelli Equity Trust/closed end	—*	5.8	1.4	488	–5	NA	1.24
		Gabelli Growth Fund/Gabelli	—*	14.4	none	6	182	2.00	*2.00p*
F	A	Gateway Option Index Fund/Gateway	10.3	–4.6	1.5	28	–40	none	1.48
A	C	General American Investors/closed end	19.2	–10.1	1.8	324	–17	NA	1.19
D	B	General Securities/Craig-Hallum	15.7	7.1	3.4	18	2	none	1.49
		Gintel Capital Appreciation Fund/Gintel	—*	1.2	0.8	24	–4	none	*1.80*
●D	●A	Gintel ERISA Fund/Gintel	—*	–1.8	3.8	80	–23	none	*1.20*
●D	●B	Gintel Fund/Gintel	—*	–7.2	1.6	83	–31	none	1.30
		GIT Equity Trust–Special Growth/GIT	—*	3.8	0.8	16	–17	none	1.50
		Global Growth & Income–Cap[1] Global Growth & Income–Inc[1]	—*	–2.2	5.6	91	–8	NA	1.21
		Gradison Established Growth/Gradison	—*	5.0	4.0	81	38	none	*1.57*
		Gradison Opportunity Growth/Gradison	—*	0.1	0.8	19	–9	none	*1.83*
		Greenspring Fund/Greenspring	—*	8.5	7.3	21	17	none	1.36
B	B	Growth Fund of America/American Funds	21.5	1.5	1.6	1,129	–1	5.75	*0.66*
		Growth Fund of Washington/Washington	—*	–3.0	1.2	51	–11	5.00	*1.74*
C	C	Growth Industry Shares/Growth Industry	17.9	–2.1	1.7	66	–19	none	0.90
		Growth Stock Outlook Trust/closed end	—*	4.0	3.7	134	–4	NA	1.51
B	B	Guardian Mutual Fund/Neuberger	18.7	0.2	3.1	535	–10	none	0.74
B	B	Guardian Park Ave Fund/Guardian	19.9	2.5	2.6	185	4	4.50	0.68
		Hampton Utils–Capital Shares/closed end	—*	—*	—*	20	—	NA	1.00
A	D	John Hancock Growth Trust/Hancock	17.7	–6.3	1.7	110	–7	8.50	1.00
		John Hancock Special Equities/Hancock	—*	–16.4	none	13	–21	8.50	1.50p
		H&Q Healthcare Investors/closed end	—*	–13.3	0.3	45	–13	NA	2.05
		Harbor Growth Fund/Harbor	—*	–3.7	0.9	119	3	none	1.33
A+	F	Hartwell Emerging Growth[2]/Hartwell	19.9	–2.7	none	28	–40	3.00	1.80p
A+	D	Hartwell Growth Fund/Hartwell	20.2	–6.1	none	19	–28	3.00	2.70

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Table of distributors, showing addresses and phone numbers, begins on page 250.

Performance in UP markets	in DOWN markets	Fund/distributor	Total return: Annual average 1978 to 1988	Total return: Last 12 months	Yield	Assets: 6/30/88 (millions)	Assets: % change '88 vs '87	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average Forbes stock fund composite	16.9% 16.4%	–6.9% –5.6%	3.3% 2.7%				 $1.49
		Heartland Group–Value Fund/Milwaukee Co	—*	–5.7%	0.4%	$32	–16%	4.50%	*$1.50*
		Heritage Capital Appreciation/James	—*	–2.9	1.0	45	–14	3.00	*2.00p*
		Hidden Strength–Growth/Global Capital	—*	–4.4	0.5	33	94	4.75	*1.33*
		Wayne Hummer Growth Fund/Hummer	—*	–5.6	1.4	22	6	none	*1.50p*
		Hutton Investment–Basic Value/Shearson	—*	–8.0	2.1	407	–23	5.00r	1.48
•C	•C	**Hutton Investment–Growth/Shearson**	—*	–11.8	2.3	1,206	–27	5.00r	1.44
		Hutton Investment–Option Inc/Shearson	—*	–5.2	4.0	45	–28	5.00r	3.08
		Hutton Investment–Prec Metals/Shearson	—*	–4.3	2.2	116	–10	5.00r	*1.66*
		Hutton Investment–Spec Equities/Shearson	—*	–12.3	none	188	–29	5.00r	*2.09*
		IAI Apollo/IAI Funds	—*	–0.8	0.9	23	–10	none	1.00
•A	B	**IAI Regional Fund/IAI Funds**	—*	0.5	1.3	91	–9	none	0.80
C	B	**IAI Stock Fund/IAI Funds**	16.8%	–6.4	1.8	82	–10	none	0.80
		IDEX Fund/Idex	—*	–9.1	1.9	66	–18	‡	1.49
		IDEX II/Idex	—*	–7.0	1.5	65	–11	‡	1.40
		Idex Fund III/Idex	—*	–6.5	1.4	42	321	8.50	1.48p
•C	•C	**IDS Discovery Fund/IDS**	—*	–5.4	1.7	198	–23	5.00	*0.67p*
B	C	**IDS Equity Plus/IDS**	16.5	–1.9	2.8	400	–14	5.00	0.57
A+	D	**IDS Growth Fund/IDS**	21.0	–18.9	1.4	659	–27	5.00	0.67p
		IDS Managed Retirement Fund/IDS	—*	–8.5	1.7	755	4	5.00	*0.88*
A	B	**IDS New Dimensions Fund/IDS**	21.9	–3.4	2.3	681	–7	5.00	0.79p
		IDS Precious Metals Fund/IDS	—*	–9.5	1.5	119	17	5.00	*1.11*
C	B	**IDS Progressive Fund/IDS**	[illegible]	–6.6	4.1	190	–12	5.00	0.70p
D	B	**IDS Stock Fund/IDS**	14.8	–6.5	3.3	1,286	–19	5.00	0.57p
		IDS Strategy–Aggressive Equity/IDS	—*	–18.4	none	265	–18	5.00r	*1.68p*
		IDS Strategy–Equity/IDS	—*	10.2	4.5	191	27	5.00r	*1.65*
		IMG Stock Accumulation/Investors Mgmt	—*	–9.1	2.3	6	–19	5.00	1.59
		Indust–Mackenzie American/Mackenzie	—*	6.7	1.1	32	70	8.50	1.74p
		Integrated Capital Appreciation/Integrated	—*	–4.4	0.2	215	–12	5.00r	*2.29*
		Integrated Equity–Aggres Grow/Integrated	—*	14.5	none	19	82	4.75	*2.25p*
		Integrated Equity–Growth/Integrated	—*	2.1	0.5	33	217	4.75	*1.88*
		Interstate Capital Growth Fund/Interstate	—*	–9.1	0.4	10	–39	2.50	*3.35p*
B	B	**Investment Co of America/American Funds**	18.3	–4.5	3.8	4,149	–9	5.75	*0.42*
		Investment Portfolios–Equity/Kemper	—*	–9.5	0.7	280	–5	5.00r	2.11
		Investment Portfolios–Option Inc/Kemper	—*	–7.8	15.2	445	–5	5.00b	2.07
C	D	**Investment Trust of Boston/ITB**	13.1	–8.6	3.4	60	–18	7.00	*1.25p*
A	D	**Investors Research Fund/Diversified**	19.8	–8.9	1.2	78	–12	8.50	0.79

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Table of distributors, showing addresses and phone numbers, begins on page 250.

1988 Fund Ratings/Stock

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Total return: Annual average 1978 to 1988	Total return: Last 12 months	Yield	Assets 6/30/88 (millions)	Assets % change '88 vs '87	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average Forbes stock fund composite	16.9% 16.4%	–6.9% –5.6%	3.3% 2.7%				$1.49
•B	•C	IRI Stock Fund/IRI	—*	–1.7%	3.2%	$6	–38%	4.50%	*$1.96p*
F	A	ISI Growth Fund/Sigma	10.9%	–4.7	0.1	12	–11	6.00	1.52p
F	A+	ISI Trust Fund/Sigma	10.3	3.8	4.6	99	–6	6.00	0.86p
		Italy Fund/closed end	—*	–29.4	3.3	56	–30	NA	1.92
C	A	Ivy Growth Fund/Ivy	19.8	–8.8	2.4	182	–11	none	1.27
C	A	Janus Fund/Janus	20.1	–2.0	2.8	386	–20	none	0.98
		Janus Value Fund/Janus	—*	–16.8	4.1	14	–28	none	1.70
		Janus Venture Fund/Janus	—*	0.1	0.5	34	–24	none	1.35
D	B	JP Growth Fund/Jefferson-Pilot	15.5	–7.7	2.6	25	–12	8.00	0.79
A	D	Kemper Growth Fund/Kemper	18.6	–5.5	2.7	292	–17	8.50	0.75
F	A	Kemper Option Income Fund/Kemper	11.2	–7.5	4.0	407	–30	8.50	0.93
A	D	Kemper Summit Fund/Kemper	19.0	–5.7	3.4	276	–22	8.50	0.66
		Keystone America Equity Income/Keystone	—*	–3.2	5.6	22	591	4.00r	*1.00p*
B	D	Keystone Custodian K-2/Keystone	13.2	–14.8	2.2	344	–9	4.00b	*2.04*
C	D	Keystone Custodian S-1/Keystone	12.5	–11.6	2.3	196	–10	4.00b	*1.51*
B	D	Keystone Custodian S-3/Keystone	15.9	–2.2	2.1	267	–7	4.00b	*1.48*
A	F	Keystone Custodian S-4/Keystone	14.8	–15.8	none	494	–27	4.00b	*1.14*
		Kidder Peabody Equity Income/Kidder	—*	–8.5	2.5	73	–12	5.00r	*1.91*
		Kidder Peabody MarketGuard/Kidder	—*	2.2	5.6	50	–22	4.00[1]	1.06
		Kidder Peabody Special Growth/Kidder	—*	–9.8	0.2	20	–35	5.00r	*2.22*
		Landmark Capital Growth/Landmark Funds	—*	–26.0	0.8	12	–39	none	*2.46p*
		Landmark Growth & Income/Landmark Funds	—*	–3.2	4.1	12	–31	none	*2.00p*
		Lazard Frères–Equity Fund/Lazard	—*	–2.8	1.4	15	47	none	*1.91*
		Legg Mason Special Investment/Legg Mason	—*	–6.1	0.7	47	–15	none	*2.50p*
		Legg Mason Total Return Trust/Legg Mason	—*	–4.8	2.6	35	–22	none	*2.30*
		Legg Mason Value Trust/Legg Mason	—*	–3.3	1.5	708	–19	none	*1.97p*
A	B	Lehman Capital Fund/Shearson	22.1	–9.4	none	86	–29	5.00	1.17p
C	B	Lehman Corp/closed end	17.2	–6.7	3.2	881	–14	NA	0.44
C	B	Lehman Investors Fund/Shearson	17.6	–8.5	2.8	372	–21	5.00	0.58
•B	A	Lehman Opportunity Fund/Shearson	—*	3.0	3.2	94	–10	none	1.16
D	D	Lepercq-Istel Fund/Lepercq	12.7	–9.7	3.3	22	–22	none	*1.44*
•B	•D	Leverage Fund of Boston/Eaton Vance	—*	–15.6	none	21	–28	none	1.33
•A	•D	Lexington Goldfund/Lexington	—*	–6.3	0.3	98	22	none	1.28p
A	D	Lexington Growth Fund/Lexington	13.5	–11.0	6.1	29	–32	none	1.34
C	C	Lexington Research Fund/Lexington	15.2	–9.9	4.8	117	–20	none	0.96
		Liberty All-Star Equity Fund/closed end	—*	–14.3	1.9	453	–26	NA	1.84

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Table of distributors, showing addresses and phone numbers, begins on page 250.

1988 Fund Ratings/Stock

Performance in UP markets	**Performance** in DOWN markets	Fund/distributor	Total return: Annual average 1978 to 1988	Total return: Last 12 months	Yield	Assets: 6/30/88 (millions)	Assets: % change '88 vs '87	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	16.9%	–6.9%	3.3%				
		Forbes stock fund composite	16.4%	–5.6%	2.7%				$1.49
		Lindner Dividend Fund/Lindner	—*	7.4%	8.7%	$62	0%	none	$1.04
D	A+	**Lindner Fund/Lindner**	22.8%	7.5	5.5	405	0	none	1.07
		LMH Fund/Heine Mgmt	—*	–2.3	12.9	40	–48	none	1.46p
A+	B	**Loomis-Sayles Capital Devel/New England**	25.1	–11.6	0.2	217	–26	††	0.93
C	D	**Lord Abbett Developing Growth/Lord Abbett**	14.7	–7.5	none	192	–24	7.25%	0.92
		Lord Abbett ~~Fundamental Value~~/Lord Abbett	—*	–2.0	2.0	24	6	7.25	*1.44*
		Lord Abbett Value Appreciation/Lord Abbett	—*	1.6	2.5	235	–19	7.25	0.89
D	A	**Lutheran Brotherhood Fund/Lutheran**	15.1	–12.0	3.8	269	–9	5.00	1.08p
		MacKay-Shields MainStay–Cap Ap/NYLife	—*	–16.8	none	32	–1	5.00r	*2.60*
		MacKay-Shields Main~~Stay–Value/NYLife~~	—*	–11.2	0.4	17	–6	5.00r	*2.70*
C	C	**Mairs & Power Growth Fund/Mairs & Power**	14.7	–10.8	2.0	22	–17	none	1.04
●C	A	**Mairs & Power Income Fund/Mairs & Power**	—*	0.8	4.9	7	2	none	1.20
A	C	**Manhattan Fund/Neuberger**	19.7	–8.7	1.9	416	–21	none	1.00
C	D	**Horace Mann Growth Fund/Mann**	15.1	–8.1	2.9	88	–8	†	0.67
A	C	**Mass Capital Development Fund/Mass Finl**	20.8	–11.6	1.8	841	–23	7.25	0.83
A	D	**Mass Financial Development/Mass Finl**	17.7	–9.6	1.9	242	–20	7.25	0.79
●A	●D	**Mass Financial Emerging Growth/Mass Finl**	—*	–12.2	none	246	–23	7.25	1.45
		Mass Financial Special Fund/Mass Finl	—*	–6.1	1.2	121	–21	7.25	1.33
B	C	**Mass Investors Growth Stock/Mass Finl**	16.1	–11.8	1.8	829	–21	7.25	0.55
C	C	**Mass Investors Trust/Mass Finl**	15.6	–9.7	3.3	1,208	–19	7.25	0.53
B	B	**Mathers Fund/Mathers**	18.7	14.8	2.8	191	19	none	0.82
●A	D	**Medical Technology Fund/~~AMA~~**	—*	–14.9	none	41	–31	none	*1.90*
D	B	**Meeschaert Capital Accum/Meeschaert**	10.6	–17.7	0.5	37	–13	4.00b,r	*1.48*
		Meeschaert Gold and Currency/Meeschaert	—*	–6.8	0.7	38	NM	4.00b,r	*2.12*
		Meridian Fund/Meridian	—*	–3.1	0.2	11	–43	none	1.85p
C	A	**Merrill Lynch Basic Value Fund/ML Funds**	18.9	1.8	3.4	1,079	–7	6.50	0.58
C	A	**Merrill Lynch Capital Fund/ML Funds**	19.0	0.1	1.7	664	–9	6.50	0.60
		Merrill Lynch Tomorrow/ML Funds	—*	–7.1	0.7	628	–30	4.00r	*1.87*
		Merrill Lynch Natural Resources/ML Funds	—*	–12.1	6.5	745	–22	4.00r	*1.80*
		Merrill Lynch Retire Equity/ML Funds	—*	–3.6	1.4	561	–15	4.00r	*1.91*
●D	D	**Merrill Lynch Special Value/ML Funds**	—*	–11.3	0.9	110	–22	6.50	1.17p
		MetLife-State Street Cap Apprec/MetLife	—*	–3.5	0.7	30	26	4.50	*1.50p*
		MetLife-State Street Equity Inc/MetLife	—*	–2.5	5.9	30	–3	4.50	*1.50p*
		MetLife-State Street Equity Inv/MetLife	—*	–6.9	2.3	25	14	4.50	*1.50p*
		MFS Lifetime Capital Growth/Mass Finl	—*	–9.9	0.9	131	107	6.00r	*2.20*
		MFS Lifetime Dividends Plus/Mass Finl	—*	–8.2	6.7	145	66	6.00r	*2.18*

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Table of distributors, showing addresses and phone numbers, begins on page 250.

1988 Fund Ratings/Stock

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Total return: Annual average 1978 to 1988	Total return: Last 12 months	Yield	Assets: 6/30/88 (millions)	Assets: % change '88 vs '87	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	16.9%	–6.9%	3.3%				
		FORBES stock fund composite	16.4%	–5.6%	2.7%				$1.49
		MFS Lifetime Emerging Growth/Mass Finl	—*	–14.1%	none	$80	58%	6.00%r	*$2.32*
		MFS Lifetime Managed Sectors/Mass Finl	—*	–13.4%	0.7	162	125	6.00r	*2.13*
		MFS Managed Sectors Trust/Mass Finl	—*	–14.8	1.2	150	–25	4.75	*1.48*
D	B	MidAmerica High Growth Fund/MidAmerica	12.9%	–5.3	2.9	12	–10	8.50	1.00p
D	A	MidAmerica Mutual Fund/MidAmerica	14.7	–4.7	3.7	35	–8	8.50	0.91
		Midas Gold Shares & Bullion/IRI	—*	–14.3	none	17	–2	6.00	*1.79p*
		Mimlic Investors Fund I/Mimlic	—*	–6.5	3.1	8	5	5.00	1.00p
		Monitrend Value Fund/Pallas	—*	–3.9	2.0	19	–35	3.50	*2.50p*
		Morgan Grenfell SmallCap Fund/closed end	—*	0.1	none	48	0	NA	2.38
		Morgan Keegan Southern Cap/Morgan Keegan	—*	–5.9	0.1	13	35	3.00	*2.00p*
		Morison Asset Allocation Fund/Morison	—*	–6.5	3.1	25	38	7.25	*1.72*
C	B	Mutual Benefit Fund/Mutual Benefit	16.3	–1.0	2.4	20	4	8.50	1.34
D	C	Mutual of Omaha Growth/Mutual of Omaha	13.0	–5.6	0.9	40	–10	8.00	1.11
		Mutual Series Fund–Beacon[1]/Heine Secs	—*	10.3	2.3	205	82	none	0.80
D	A+	Mutual Series–Mutual Shares/Heine Secs	21.3	9.3	3.5	2,222	17	none	0.69
•C	A+	Mutual Series Fund–Qualified/Heine Secs	—*	8.8	3.7	936	23	none	0.71
C	D	National Aviation & Technology/AFA	13.4	–14.9	1.2	71	–23	4.75	1.23p
D	D	National Growth Fund/National Secs	10.3	–10.3	2.5	58	–18	7.25	0.90
D	C	National Industries Fund/Sierra	11.2	–5.1	0.8	29	–11	none	1.65
		National Real Estate–Stock/National Secs	—*	–3.4	7.8	21	8	7.75	*1.43p*
D	B	National Stock Fund/National Secs	15.1	–5.0	4.6	222	–3	7.25	0.74
		National Telecom & Technology/AFA	—*	–6.3	1.1	44	–24	4.75	1.63p
D	B	Nationwide Fund/Nationwide	14.2	–6.9	3.6	401	–14	7.50	0.63
C	A	Nationwide Growth Fund/Nationwide	18.8	–1.7	4.6	228	–3	7.50	0.66
•F	•D	Nautilus Fund/Eaton Vance	—*	–13.4	none	16	–25	4.75	1.78p
B	D	Neuwirth Fund/National Finl	14.8	–5.8	none	26	–16	none	1.69
		New Alternatives Fund/Accrued Eq	—*	–0.3	1.1	5	30	5.66	1.17
		New Economy Fund/American Funds	—*	–3.2	2.3	744	–23	5.75	*0.73*
D	A	New England Equity Income/New England	16.2	–6.0	2.3	51	6	6.50	*1.52p*
A	B	New England Growth Fund/New England	24.4	–7.7	none	487	3	6.50	*1.28*
B	B	New England Retire Equity/New England	18.5	–13.9	0.6	143	–6	6.50	*1.30*
A	B	New York Venture Fund/Venture	22.0	–0.9	2.7	166	–28	8.50	1.01
B	D	Newton Growth Fund/Newton	16.8	–10.6	1.3	38	–21	none	*1.20*
A	D	Niagara Share Corp/closed end	17.1	–6.1	2.2	193	–11	NA	1.00
		Nicholas Applegate Growth Equity/closed end	—*	–7.1	none	87	–10	NA	1.25
B	A	Nicholas Fund/Nicholas	21.6	0.6	3.2	1,148	–11	none	0.86

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Table of distributors, showing addresses and phone numbers, begins on page 250.

1988 Fund Ratings/Stock

Performance			Total return			Assets		Maximum sales charge	Annual expenses per $100
in UP markets	in DOWN markets	Fund/distributor	Annual average 1978 to 1988	Last 12 months	Yield	6/30/88 (millions)	% change '88 vs '87		
		Standard & Poor's 500 stock average	16.9%	–6.9%	3.3%				
		Forbes stock fund composite	16.4%	–5.6%	2.7%				$1.49
		Nicholas II/Nicholas	—*	0.1%	1.8%	$396	–3%	none	$0.82
		Nicholas Limited Edition/Nicholas	—*	11.9	0.8	28	317	none	1.48
•A	D	**Northeast Investors Growth/Northeast Inv**	—*	–16.9	0.5	20	–32	none	1.60
•C	C	**Nova Fund/Nova**	—*	–12.5	none	14	–57	4.50%r	1.70p
		Oberweis Emerging Growth/Oberweis	—*	–9.4	none	22	4	5.00b	*1.99p*
D	B	**Old Dominion Investors' Trust/Investors Secs**	13.7%	–9.4	3.1	6	–19	8.50	1.10
		Olympic Trust–Equity Income/Olympic	—*	–2.8	4.2	29	NM	none	*1.00p*
		Olympic Trust–Small Cap Fund[1]/Olympic	—*	–6.0	none	8	–5	none	1.00p
B	D	**Omega Fund/Intl Heritage**	14.5	–5.4	0.0	35	–7	6.75	*1.99*
C	D	**One Hundred Fund/Berger**	14.1	–2.7	none	11	–11	none	*1.83*
D	B	**One Hundred One Fund/Berger**	12.6	–11.6	5.0	2	–38	none	*1.79*
		Oppenheimer Blue Chip Fund/Oppenheimer	—*	–7.0	3.4	18	5	4.75	*1.34*
•B	D	**Oppenheimer Directors Fund/Oppenheimer**	—*	–3.9	2.8	163	–19	8.50	1.15p
C	B	**Oppenheimer Equity Income/Oppenheimer**	18.4	2.0	5.6	807	10	8.50	0.84
B	F	**Oppenheimer Fund/Oppenheimer**	12.5	–12.2	2.0	213	–22	8.50	1.00
		Oppenheimer Gold & Special/Oppenheimer	—*	33.2	2.8	107	40	8.50	1.35
		Oppenheimer Ninety Ten Fund/Oppenheimer	—*	43.5	4.3	30	NM	7.75	1.38
		Oppenheimer OTC Fund/Oppenheimer	—*	0.7	0.3	36	14	4.75	*1.42*
F	A+	**Oppenheimer Premium Inc/Oppenheimer**	13.6	18.0	2.1	323	–12	8.50	1.16
		Oppenheimer Regency Fund/Oppenheimer	—*	–5.2	1.0	146	–18	8.50	1.11
D	C	**Oppenheimer Special Fund/Oppenheimer**	16.1	–1.0	7.4	553	–20	8.50	0.94
•C	•C	**Oppenheimer Target Fund/Oppenheimer**	—*	–8.0	1.2	73	–36	4.75	1.16
A	C	**Oppenheimer Time Fund/Oppenheimer**	20.8	–2.6	1.7	318	–8	8.50	0.99
C	C	**Oppenheimer Total Return/Oppenheimer**	14.2	4.3	4.5	312	11	4.75	*0.88*
C	B	**Over-the-Counter Securities Fund/Review**	18.6	–6.7	0.6	287	–6	4.50	*1.00*
		Pacific Horizon–Aggres Grow/Concord Finl	—*	–13.0	0.7	127	–47	4.50	*1.21p*
		PaineWebber America Fund/PaineWebber	—*	–4.8	4.0	67	–35	8.50	1.22
		PaineWebber Asset Allocation/PaineWebber	—*	7.2	5.5	675	–6	5.00r	*1.98*
		PaineWebber Master Growth/PaineWebber	—*	–5.5	0.0	91	–30	5.00r	*2.05*
		PaineWebber Olympus Fund/PaineWebber	—*	–5.8	0.7	80	–37	8.50	1.15
		Paribas Trust–Quantus Equity/Paribas	—*	–10.9	1.6	12	–36	4.00r	*2.34*
		Parnassus Fund/Parnassus	—*	–2.0	none	8	36	3.50	2.13
C	A	**Partners Fund/Neuberger**	20.6	–2.9	4.2	719	–5	none	0.86
		Pasadena Growth Fund/Pasadena	—*	–3.3	none	14	1	3.00	2.00
		PBHG Growth Fund/Capstone	—*	–4.2	none	31	11	4.75	1.21
D	B	**Penn Square Mutual Fund/Penn Square**	15.4	–8.1	3.7	195	–16	none	0.88

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Table of distributors, showing addresses and phone numbers, begins on page 250.

Performance in UP —markets—	in DOWN	Fund/distributor	Total return Annual average 1978 to 1988	Last 12 months	Yield	Assets 6/30/88 (millions)	% change '88 vs '87	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	16.9%	–6.9%	3.3%				
		Forbes stock fund composite	16.4%	–5.6%	2.7%				$1.49
C	B	**Pennsylvania Mutual Fund/Penn Mutual**	19.9%	6.6%	2.9%	$358	–1%	1.00%b	$0.99
		Permanent Port–Permanent/Permanent	—*	1.6	none	103	18	none	*1.15*
B	D	**Petroleum & Resources Corp/closed end**	15.2	–9.3	4.7	286	–14	NA	0.70
D	C	**Philadelphia Fund/Fahnestock**	14.7	–3.8	2.1	97	–15	8.50	0.91
•B	•A	**Phoenix Growth Fund/Phoenix**	—*	–4.0	5.3	587	12	8.50	0.76
•A	•B	**Phoenix Stock Fund/Phoenix**	—*	–2.6	4.5	131	3	8.50	0.76
•D	•B	**Phoenix Total Return/Phoenix**	—*	–4.3	3.2	36	96	4.75	*1.54p*
		Pierpont Capital Appreciation/Morgan Stanley	—*	–13.7[1]	3.4[1]	31[2]	–28	none	1.00p
		Pierpont Equity Fund/Morgan Stanley	—*	–7.8[1]	none[1]	25[2]	–17	none	1.00p
C	A	**Pilgrim MagnaCap Fund/Pilgrim**	17.6	–6.5	1.3	210	–14	4.75	*1.40p*
		Pilgrim Regional Bankshares/closed end	—*	1.4	2.4	97	–1	NA	1.13
		Pilgrim Rising Profitability Fund/Pilgrim	—*	–14.6	none	8	–30	4.75	*2.07*
D	C	**Pine Street Fund/National Finl**	14.0	–10.0	3.6	55	–22	none	1.47
C	C	**Pioneer Fund/Pioneer**	16.0	–1.3	3.0	1,439	–9	8.50	0.70
B	B	**Pioneer II/Pioneer**	18.5	–4.3	2.6	3,808	–6	8.50	0.81
		Pioneer Three/Pioneer	—*	–2.1	2.7	632	–11	8.50	0.80
		T Rowe Price Capital Appreciation/Price	—*	10.2	3.3	88	8	none	1.20p
		T Rowe Price Equity Income Fund/Price	—*	7.2	4.5	331	50	none	1.10p
		T Rowe Price Growth & Income/Price	—*	–3.0	4.6	426	–10	none	1.05p
C	D	**T Rowe Price Growth Stock Fund/Price**	13.1	–8.7	2.2	1,424	–9	none	0.79
		T Rowe Price New America Growth/Price	—*	–4.5	none	71	–27	none	1.49p
A	D	**T Rowe Price New Era Fund/Price**	19.2	2.0	3.0	857	12	none	0.82
B	D	**T Rowe Price New Horizons Fund/Price**	16.1	–6.8	0.3	1,005	–17	none	0.78
		Primary Trend Fund/Primary Trend	—*	5.7	3.0	45	43	none	1.20p
		Principal Preservation–Div Achievers/Ziegler	—*	–3.3	2.8	7	–10	4.50	1.10p
		Principal Preservation–Retirement/Ziegler	—*	2.2	4.9	5	194	4.50	1.10p
		Principal Preservation–S&P 100 Plus/Ziegler	—*	–7.4	2.8	17	1	4.50	1.30p
C	A	**Princor Capital Accumulation/Princor**	17.1	–2.4	2.2	97	4	5.00	0.98
B	D	**Princor Growth Fund/Princor**	15.7	–7.3	1.1	34	–7	5.00	1.01
		Progressive Income Equity/Federated	—*	2.4	8.3	51	–6	4.50	1.56p
•B	•B	**Pru-Bache Equity Fund/Pru-Bache**	—*	–5.3	2.4	567	1	5.00r	*1.67*
		Pru-Bache Equity Income/Pru-Bache	—*	–3.6	2.7	64	–27	5.00r	*2.30p*
•B	•C	**Pru-Bache Growth Opportunity/Pru-Bache**	—*	–4.9	0.4	149	–17	5.00r	*1.56p*
		Pru-Bache Option Growth Fund/Pru-Bache	—*	–4.1	1.9	74	–15	5.00r	*1.69p*
		Pru-Bache Research Fund/Pru-Bache	—*	–8.4	1.7	418	–12	5.00r	*1.81*
•D	•A	**Pru-Bache Utility Fund/Pru-Bache**	—*	4.3	4.8	1,464	–13	5.00r	*1.63*

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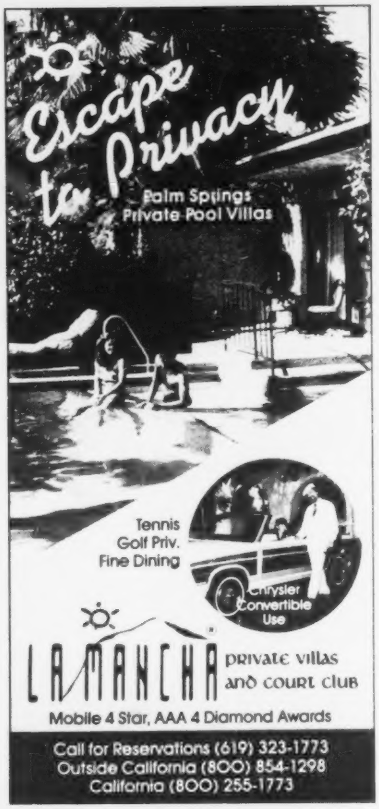
Table of distributors, showing addresses and phone numbers, begins on page 250.



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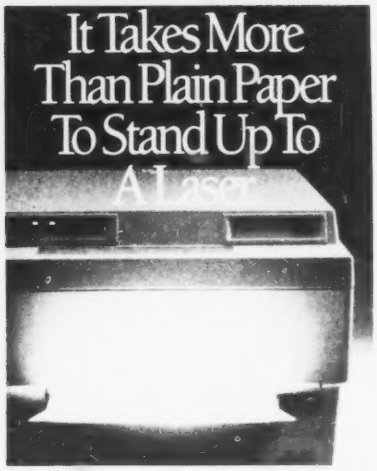

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1988 Fund Ratings/Stock

Performance in UP —markets	**Performance** in DOWN markets—	Fund/distributor	Total return: Annual average 1978 to 1988	Total return: Last 12 months	Yield
		Standard & Poor's 500 stock average	16.9%	–6.9%	3.3%
		FORBES stock fund composite	16.4%	–5.6%	2.7%
		Putnam Capital Fund/Putnam	—*	–4.6%	none
•D	F	Putnam Energy-Resources Trust/Putnam	—*	–3.0	3.0%
C	B	Putnam Fund for Growth & Inc/Putnam	17.8%	–3.2	6.5
•A	•D	Putnam Health Sciences Trust/Putnam	—*	–9.6	0.6
		Putnam Information Sciences/Putnam	—*	–10.3	none
B	D	Putnam Investors Fund/Putnam	16.2	–11.0	3.7
D	B	Putnam Option Income Trust/Putnam	12.3	–6.4	4.7
		Putnam Option Income Trust II/Putnam	—*	–3.7	1.9
		Putnam OTC Emerging Growth/Putnam	—*	–0.3	none
A	B	Putnam Vista Basic Value/Putnam	20.2	–6.4	3.3
A	D	Putnam Voyager Fund/Putnam	20.1	–3.6	0.5
A +	D	Quasar Associates/Alliance	24.9	7.8	none
		Quest for Value Dual–Capital[1] Quest for Value Dual–Income	—*	2.3	3.3
•C	A +	Quest for Value Fund/Quest	—*	–0.7	0.6
		Regional Financial Shares Inv/closed end	—*	–8.4	3.2
		Reich & Tang Equity Fund/Reich & Tang	—*	2.9	2.4
		Reserve Equity–Contrarian/Resrv	—*	–18.9	4.5
		Rightime Fund/Lincoln Inv	—*	9.5	2.3
		RNC Regency Fund/Midvale	—*	–11.4	3.0
•F	•A	Rochester Tax Managed Fund/Rochester	—*	0.8	none
		Royce Fund–Value/Quest Dist	—*	3.5	1.4
		Royce Value Trust/closed end	—*	–1.7	3.8
		RPF of America–Equity Fund/Venture	—*	–5.4	0.5
		Rushmore–OTC Index Plus/Rushmore	—*	–6.3	0.9
		Rushmore–Stock Mkt Index Plus/Rushmore	—*	–8.1	4.4
C	C	Safeco Equity Fund/Safeco	15.0	–8.7	2.8
C	C	Safeco Growth Fund/Safeco	16.1	1.4	2.4
D	A	Safeco Income Fund/Safeco	16.7	–3.3	6.9
		St Clair Equity–Capital Growth/Fairfield	—*	–17.3[2]	none
		Salem Funds–Growth/Fiduciary Inv	—*	–6.0	2.0
		SBSF–Growth Fund/SBSF	—*	–4.1	3.7
		Scandinavia Fund/closed end	—*	–11.6	4.5
		Schafer Value Trust/closed end	—*	–9.8	3.5
		Schield–Aggressive Growth/Schield	—*	–5.4	none
		Schield–Value/Schield	—*	–0.8	0.3

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Table of distributors, showing addresses and phone numbers, begins on page 250.

Assets		Maximum sales charge	Annual expenses per $100
6/30/88 (millions)	% change '88 vs '87		
			$1.49
$10	–24%	††	$1.15
108	–7	8.50%	1.42p
1,647	–3	8.50	0.64
255	–19	8.50	1.03
108	–25	8.50	1.23p
723	–29	8.50	0.61
1,063	–15	8.50	0.83
1,487	–17	8.50	0.78
154	3	6.75	*1.49p*
254	–4	8.50	1.05
590	3	8.50	1.20
100	–25	5.50	*1.33p*
403	–5	NA	1.06
88	–21	none	2.20
87	–10	NA	1.04
111	–8	none	1.11
8	–72	none	1.44p
250	18	none	*2.55*
18	–3	4.75	*2.10p*
16	–33	8.50	*1.82*
166	–1	1.00b,r	*1.88p*
111	–2	NA	0.40
17	–14	5.00r	*2.45*
13	323	none	1.00
12	–34	none	1.00
46	–31	none	0.98
75	–4	none	0.98
238	–18	none	0.98
6[3]	NA	none	1.13p
21	–17	none	*1.74*
82	–18	none	*1.18*
54	–26	NA	2.44
107	–14	NA	1.39
4	–42	4.00	*2.50p*
6	–5	4.00	*2.50p*

††Closed to new investors. p: Net of partial absorption of expenses by fund sponsor. b: Includes back-end load that reverts to fund. r: Includes back-end load that reverts to distributor. NA: Not applicable or not available. [1] Dual fund. Performance, asset and expense data on capital and income shares treated as a unit. [2] Six months to 1/31/88. [3] As of 1/31/88. Fund refuses to disclose current data.

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8.9% and 14.8% are the 1-year and average annual 42-month total returns respectively for the periods ended 6/30/88. *Average annualized yield for the 30 days ended 7/31/88. Yield and total return represent past performance. Yield and share price will vary, and shares may be worth more or less at redemption than at original purchase. T. Rowe Price Investment Services, Inc., Distributor.

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*Lipper Directors' Analytical Data, Spring '88

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THE Vanguard GROUP OF INVESTMENT COMPANIES

1988 Fund Ratings/Stock

Performance in UP —markets	in DOWN	Fund/distributor	Total return: Annual average 1978 to 1988	Total return: Last 12 months	Yield	Assets: 6/30/88 (millions)	Assets: % change '88 vs '87	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	16.9%	–6.9%	3.3%				
		Forbes stock fund composite	16.4%	–5.6%	2.7%				$1.49
		Sci/Tech Holdings/ML Funds	—*	–2.9%	none	$219	–26%	6.50%	$1.29
C	C	**Scudder Development Fund/Scudder**	16.7%	–5.4	none	357	–8	none	1.29
B	C	**Scudder Equity–Capital Growth/Scudder**	19.2%	–0.1	1.3%	500	–8	none	0.92
		Scudder Equity–Equity Income/Scudder	—*	–6.9	3.8	14	241	none	1.00
B	C	**Scudder Growth & Income Fund/Scudder**	15.4	–4.9	3.8	409	–13	none	0.89
•B	•C	**Second Fiduciary Exchange Fund/‡**	—*	–11.3	1.7	62	–17	none	0.77
		Security Action Fund/Security Dist	—*	–7.5	1.8	146	24	**	0.81
A	D	**Security Equity Fund/Security Dist**	16.6	–7.0	5.0	230	–17	8.50	0.74
D	C	**Security Investment Fund/Security Dist**	12.3	–7.2	6.3	87	–21	8.50	0.84
		Security Omni Fund/Security Dist	—*	–16.5	none	19	–16	8.50	2.31p
A	D	**Security Ultra Fund/Security Dist**	17.9	–14.4	2.4	77	–23	8.50	1.02
D	A	**Selected American Shares/Prescott**	15.4	–3.3	2.1	280	–7	none	*1.11*
C	D	**Selected Special Shares/Prescott**	13.3	–4.9	0.8	37	–11	none	*1.10*
A	D	**Seligman Capital Fund/Seligman**	18.9	–17.0	none	141	–40	4.75	0.83
B	B	**Seligman Common Stock Fund/Seligman**	17.4	–8.0	3.6	550	–13	4.75	0.60
		Seligman Commun & Info/Seligman	—*	–5.8	none	44	–17	4.75	1.70
B	D	**Seligman Growth Fund/Seligman**	14.6	–11.3	1.8	551	–23	4.75	0.62
C	A	**Sentinel Common Stock Fund/Equity Svcs**	17.2	–10.1	3.7	501	–17	8.50	0.62
A	D	**Sentinel Growth Fund/Equity Svcs**	18.3	–12.9	2.1	53	–19	8.50	0.76
B	D	**Sentry Fund/Sentry**	15.6	–10.5	1.9	43	–14	8.00	0.67
D	A+	**Sequoia Fund/Ruane**	19.6	–2.1	3.7	727	–9	††	1.00p
		Shearson Lehman Aggres Grow/Shearson	—*	–6.8	none	95	–32	5.00	1.10
A	B	**Shearson Lehman Appreciation/Shearson**	21.6	–5.1	2.2	453	–12	5.00	0.93
•D	•B	**Shearson Lehman Fundamental/Shearson**	—*	–4.0	4.2	84	–23	5.00	1.20
		Shearson Lehman Multi Oppor LP/Shearson	—*	9.3	none	440	–15	3.00r	*3.00p*
		Shearson Lehman–Equity Growth/Shearson	—*	3.8	2.2	143	–20	5.00b,r	*2.12*
		Shearson Lehman–Equity Plus/Shearson	—*	–10.1	3.5	29	–13	5.00b,r	*2.63*
		Shearson Lehman–Option Income/Shearson	—*	1.8	1.6	597	–37	5.00r	*1.74*
		Shearson Lehman–Strategic Inv/Shearson	—*	1.5	3.1	146	–17	5.00r	*2.14p*
D	F	**Sherman, Dean Fund/Sherman, Dean**	6.1	–21.6	none	3	–18	none	*2.75*
B	B	**Sigma Capital Shares/Sigma**	19.3	–4.9	2.3	92	–7	6.00	*1.12*
C	B	**Sigma Investment Shares/Sigma**	16.5	–5.1	2.9	91	–10	6.00	*0.92*
B	C	**Sigma Special Fund/Sigma**	17.4	–8.2	1.4	19	–11	6.00	*1.35*
B	D	**Sigma Value Shares[1]/Sigma**	12.8	–12.8	1.7	13	–36	6.00	*1.91p*
B	D	**Sigma Venture Shares/Sigma**	15.2	–19.9	0.0	59	–22	6.00	*1.18*
		Sit New Beginning Growth Fund/Sit	—*	–8.4	0.1	48	–14	none	1.16

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Table of distributors, showing addresses and phone numbers, begins on page 250.

1988 Fund Ratings/Stock

Performance in UP markets	**Performance** in DOWN markets	Fund/distributor	Total return: Annual average 1978 to 1988	Total return: Last 12 months	Yield	Assets: 6/30/88 (millions)	Assets: % change '88 vs '87	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	16.9%	–6.9%	3.3%				
		FORBES stock fund composite	16.4%	–5.6%	2.7%				**$1.49**
		Sit New Beginning Income & Growth/Sit	—*	–6.4%	2.9%	$12	18%	none	$1.50p
		Skyline Fund–Special Equities/Mesirow	—*	3.6	none	9	141	3.85%	1.60p
B	C	**Smith Barney Equity Fund/Smith Barney**	16.9%	–7.6	3.7	83	–8	4.00	*0.80*
D	A	**Smith Barney–Income & Grow/Smith Barney**	17.6	–2.5	5.8	566	–14	5.75	0.45
		Sound Shore Fund/Reich & Tang	—*	–4.4	1.5	27	–13	none	1.36
D	A+	**Source Capital/closed end**	21.3	2.5	6.0	293	–5	NA	0.96
		Southeastern Asset Mgmt Value/Southeastern	—*	—*	0.8	31	60	none	1.50p
		Southeastern Growth Fund/Wheat First	—*	–7.3	none	105	–12	5.00r	*2.18p*
D	A	**Sovereign Investors/Sovereign**	16.6	–5.1	5.2	44	–1	5.00	0.85
A	D	**Spectra Fund/closed end**	21.2	–7.3	none	4	–42	NA	2.40
C	D	**State Bond Common Stock Fund/State Bond**	12.4	–13.5	1.9	29	–20	8.50	0.94
D	B	**State Bond Diversified Fund/State Bond**	14.8	–3.3	3.7	19	–6	8.50	0.84
C	D	**State Bond Progress Fund/State Bond**	14.8	–11.8	1.9	7	–18	8.50	1.07
B	C	**State Street Exchange Fund/‡**	15.7	–9.1	2.6	155	–15	none	0.59
B	C	**State Street Growth Fund/‡**	16.3	–8.9	3.6	242	–19	1.00r	0.55
B	C	**State Street Investment Corp/State Street**	16.0	–9.8	2.9	518	–20	1.00b	0.46
F	F	**Steadman American Industry/Steadman**	1.1	–25.1	none	5	–30	none	*6.26*
F	C	**Steadman Associated Fund/Steadman**	3.1	–27.0	4.9	14	–29	none	*2.88*
F	D	**Steadman Investment Fund/Steadman**	3.1	–26.2	1.1	6	–35	none	*3.97*
F	F	**Steadman Oceanographic/Steadman**	–0.2	–42.0	none	3	–46	none	*5.81*
A+	F	**SteinRoe Equity–Capital Oppor/Stein Roe**	18.0	–16.2	0.2	236	–26	none	1.05
		SteinRoe Equity–Discovery Fund/Stein Roe	—*	–7.0	0.2	50	–24	none	1.50p
		SteinRoe Equity–Prime Equities/Stein Roe	—*	–11.1	1.6	25	82	none	1.00p
•A	C	**SteinRoe Equity–Special Fund/Stein Roe**	—*	–3.3	1.5	240	–12	none	0.99
A	D	**SteinRoe Equity–Stock Fund[1]/Stein Roe**	15.4	–18.0	1.5	213	–31	none	0.72
•B	D	**SteinRoe Equity–Universe Fund/Stein Roe**	—*	–12.7	1.9	27	–71	none	1.50
•F	•C	**Strategic Capital Gains/Strategic**	—*	0.3	none	4	3	8.50	1.58p
A+	F	**Strategic Investments Fund/Strategic**	10.5	–39.8	8.7	56	–48	8.50	1.38
		Strategic Silver Fund/Strategic	—*	–17.4	none	31	–15	8.50	1.48p
D	C	**Stratton Growth Fund/Stratton**	14.7	–0.7	3.4	18	–11	none	1.48
F	A+	**Stratton Monthly Dividend Shares/Stratton**	11.2	–1.9	7.6	36	–19	none	1.21
		Strong Opportunity Fund/Strong	—*	–2.7	2.5	174	4	2.00	1.40
		Summit Investor's Fund/AIM	—*	–10.4	0.9	146	31	**	0.98
B	D	**Surveyor Fund/Alliance**	16.0	0.0	none	94	–12	5.50	*1.54p*
A	D	**Technology Fund/Kemper**	17.5	–6.6	1.2	570	–19	8.50	0.67
		Thompson, Unger & Plumb/Thompson, Unger	—*	0.8	0.9	6	100	none	2.00p

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Table of distributors, showing addresses and phone numbers, begins on page 250.

Performance in UP	in DOWN		Total return						
——markets——		Fund/distributor	Annual average 1978 to 1988	Last 12 months	Yield	Assets 6/30/88 (millions)	Assets % change '88 vs '87	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	16.9%	–6.9%	3.3%				
		Forbes stock fund composite	16.4%	–5.6%	2.7%				$1.49
		Thomson McKinnon Inv–Grow/Thomson	—*	–7.8%	0.7%	$358	–15%	5.00%r	*$1.80*
		Thomson McKinnon Inv–Oppor/Thomson	—*	0.5	0.2	53	–19	5.00r	*2.00*
		Tocqueville Fund/Tucker Anthony	—*	–2.1	0.2	16	61	4.00	*2.30*
B	C	**Tri-Continental Corp/closed end**	16.6%	–9.8	3.2	1,343	–16	NA	0.53
A	C	**Tudor Fund/Weiss, Peck**	21.5	–9.9	0.1	178	–16	none	1.03
		20th Century Giftrust Investors/20th Century	—*	0.5	none	14	26	none	1.00
A+	D	**20th Century Growth Investors/20th Century**	25.5	–11.4	0.3	1,358	–4	none	1.00
A+	C	**20th Century Select Investors/20th Century**	24.1	–9.5	1.7	2,553	–14	none	1.00
•A	•D	**20th Century Ultra Investors/20th Century**	—*	–4.2	none	297	–18	none	1.00
		20th Century Vista Investors/20th Century	—*	–8.3	none	241	–13	none	1.00
		UMB Stock Fund/Jones & Babson	—*	–1.4	4.9	43	1	none	0.87
•C	•C	**Unified Growth Fund/Unified**	—*	–12.1	1.4	19	–34	none	1.06
D	B	**Unified Mutual Shares/Unified**	13.4	–5.2	3.7	18	–23	none	1.03
C	B	**United Accumulative Fund/Waddell & Reed**	17.8	–2.5	5.1	743	–10	8.50	0.59
D	A	**United Income Fund/Waddell & Reed**	17.1	3.5	4.3	1,107	4	8.50	0.63
		United New Concepts Fund/Waddell & Reed	—*	–5.8	1.0	99	–5	8.50	1.19p
C	C	**United Science & Energy Fund/Waddell & Reed**	16.9	–4.8	2.6	227	–6	8.50	0.81
•D	•C	**United Services–Good & Bad/United Services**	—*	–15.5	4.5	17	–54	none	1.41
		United Services–Growth Fund/United Services	—*	–11.0	1.5	6	–32	none	2.07
		United Services–New Prosp/United Services	—*	–21.3	1.4	104	–18	2.00	1.44p
B	D	**US Trend Fund/Capstone**	17.1	–7.1	2.6	91	–15	4.75	1.08
B	A	**United Vanguard Fund/Waddell & Reed**	22.8	2.8	3.0	683	5	8.50	0.93
		US Boston Invest–Growth & Inc[1]/US Boston	—*	–5.2	3.0	27	–23	1.00r	1.83
		USAA Investment–Cornerstone/USAA	—*	–5.8	2.1	589	23	none	1.23
		USAA Investment–Gold Fund/USAA	—*	–30.1	0.5	189	5	none	1.43p
•C	D	**USAA Mutual–Growth Fund/USAA**	—*	–9.4	3.1	218	–15	none	1.29p
		USAA Mutual–Income Stock/USAA	—*	1.6	3.3	30	300	none	1.00p
•B	•D	**USAA Mutual–Sunbelt Era Fund/USAA**	—*	–6.7	0.7	145	–4	none	1.12
		UST Master Funds–Equity/Boston Co	—*	–9.4	1.1	14	–6	none	1.28
		UST Master Funds–Inc & Grow/Boston Co	—*	–4.3	5.0	7	31	none	1.29p
F	A+	**Valley Forge Fund/Valley Forge**	15.0	4.0	5.7	9	1	none	1.30
		Value Line Convertible Fund/Value Line	—*	–2.7	6.3	67	–27	none	1.06
B	C	**Value Line Fund/Value Line**	16.8	–4.3	1.9	215	–16	none	0.69
D	A	**Value Line Income Fund/Value Line**	16.2	–4.8	9.1	142	–22	none	0.76
B	B	**Value Line Leveraged Growth Inv/Value Line**	18.5	–9.5	1.5	288	–31	none	0.95
C	D	**Value Line Special Situations/Value Line**	13.4	–16.3	0.5	135	–36	none	1.01

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Table of distributors, showing addresses and phone numbers, begins on page 250.

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1988 Fund Ratings/Stock

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Total return: Annual average 1978 to 1988	Total return: Last 12 months	Yield
		Standard & Poor's 500 stock average Forbes stock fund composite	16.9% 16.4%	–6.9% –5.6%	3.3% 2.7%
		Van Eck Gold/Resources Fund/Van Eck	—*	–18.2%	0.4%
		Van Kampen Merritt Gr & Inc/Van Kampen	—*	–4.0	3.8
B	C	**Vance, Sanders Exchange Fund/‡**	16.5%	–4.9	1.8
D	C	**Vance, Sanders Special Fund/Eaton Vance**	12.6	–11.6	0.5
C	C	**Vanguard Explorer Fund/Vanguard**	16.1	–3.1	0.4
		Vanguard Explorer II/Vanguard	—*	–6.4	0.2
		Vanguard Gemini II Capital[1] **Vanguard Gemini II Income[1]**	—*	2.5	5.1
D	A+	**Vanguard High Yield Stock/Vanguard**	21.0	3.0	10.5
B	C	**Vanguard Index–500 Portfolio/Vanguard**	16.4	–7.5	3.2
B	C	**Vanguard WL Morgan Growth/Vanguard**	17.8	–0.4	1.8
D	D	**Vanguard Naess & Thomas Spec/Vanguard**	13.6	–6.6	none
		Vanguard PRIMECAP Fund/Vanguard	—*	–6.0	0.8
		Vanguard Quantitative Portfolios/Vanguard	—*	–6.2	3.0
		Vanguard Special–Technology/Vanguard	—*	–13.1	1.1
		Vanguard Special–Energy/Vanguard	—*	–8.3	5.2
		Vanguard Special–Health Care/Vanguard	—*	–3.9	1.9
		Vanguard Spec–Service Economy/Vanguard	—*	–17.6	3.6
•B	B	**Vanguard Trustees Comm–US/Vanguard**	—*	–3.9	3.1
C	A+	**Vanguard Windsor Fund/Vanguard**	21.3	2.5	6.4
		Vanguard Windsor II/Vanguard	—*	–3.7	4.9
		Vanguard World–US Growth/Vanguard	—*	–5.9	4.1
D	B	**Variable Stock Fund/Variable**	13.0	–8.1	2.5
		Viking Equity Index Fund–General/Fairfield	—*	–8.8	2.3
C	D	**Wall Street Fund/Wall Street**	12.3	–7.0	0.3
C	A	**Washington Mutual Investors/Amer Funds**	18.9	–3.5	4.1
		Wealth Monitors Fund/Michael W Lamb	—*	–25.6	0.9
A+	D	**Weingarten Equity Fund/AIM**	24.3	–5.6	0.1
		Weitz Value Fund/Weitz	—*	8.2	3.1
		Westwood Fund/Dreyfus	—*	–4.1	2.4
		Winthrop Focus Funds–Growth/Natl Finl	—*	–8.7	0.5
		World Wide Value Fund/closed end	—*	–7.8	0.5
A	C	**WPG Fund/Weiss, Peck**	19.3	–5.5	0.9
		WPG Growth Fund/Weiss, Peck	—*	–12.7	none
		Z-Seven Fund/closed end	—*	–20.2	none
		Zweig Fund/closed end	—*	10.5	8.5

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Table of distributors, showing addresses and phone numbers, begins on page 250.

Assets 6/30/88 (millions)	% change '88 vs '87	Maximum sales charge	Annual expenses per $100
			$1.49
250%	$54	7.50%	*$1.27p*
38	21	4.90	*1.25*
152	–13	none	0.69
62	–27	4.75	1.05
267	–8	††	0.72
69	2	none	0.62
292	–7	NA	0.56
161	–16	††	0.50
957	6	none	0.26
691	–6	none	0.46
29	–14	none	0.92
198	–16	none	0.83
154	–10	none	0.64
20	–30	1.00b	0.39
41	–31	1.00b	0.38
60	–17	1.00b	0.51
23	–55	1.00b	0.44
121	–33	none	0.52
5,689	–5	††	0.43
1,402	–10	none	0.49
141	–26	none	0.65
8	–11	none	1.40
10	–12	none	1.34
13	2	5.50	1.93p
2,726	–5	5.75	*0.58*
4	–36	none	*3.54p*
312	21	4.75	1.00
10	27	none	1.50
36	19	4.00	NA
54	–18	4.00r	*1.48p*
58	–15	NA	2.10
41	–14	none	1.19
135	–12	none	1.00
21	–28	NA	3.23p
360	–3	NA	1.51

*Fund not in operation for full period. ‡Exchange fund, not currently selling new shares. ††Closed to new investors. p: Net of partial absorption of expenses by fund sponsor. b: Includes back-end load that reverts to fund. r: Includes back-end load that reverts to distributor. NA: Not applicable or not available. [1]Dual fund. Performance, asset and expense data on capital and income shares treated as a unit.

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THE Vanguard GROUP OF INVESTMENT COMPANIES

Balanced funds

Balanced funds mix stocks with bonds or buy convertible bonds. Balanced funds are graded separately from stock funds, but over the same market cycles (see chart, page 172). Balanced funds tend to be stodgier than stock funds, with a lower long-term average return, but they haven't suffered as much in the recent crash. For more information about a fund, contact the distributor listed after the name; the list of distributor addresses and phone numbers begins on page 250.

Performance			Total return			Assets			
in UP ——markets	in DOWN ——	Fund/distributor	Annual average 1978 to 1988	Last 12 months	Yield	6/30/88 (millions)	% change '88 vs '87	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	16.9%	–6.9%	3.3%				
		Forbes balanced fund composite	14.6%	–1.3%	5.8%				$1.30
		Adtek Fund/Adtek	—*	–20.9%	3.3%	$24	–39%	none	$1.73
		Advantage Income Fund/Advest	—*	–1.2	6.1	60	–10	4.00%r	*1.98*
●D	**D**	**Aim Convertible Securities/AIM**	—*	–8.5	7.6	19	–30	4.75	*2.32p*
C	**B**	**Alliance Balanced Shares/Alliance**	15.1%	5.7	3.5	117	–3	5.50	*1.37*
		Alliance Convertible Fund/Alliance	—*	0.1	6.7	88	–21	5.50	*1.49p*
C	**B**	**American Balanced Fund/American Funds**	14.5	0.6	6.0	215	7	5.75	0.68
A	**B**	**American Capital Convert Secs/closed end**	18.6	2.2	7.4	77	–14	NA	0.76
A	**D**	**American Capital Harbor Fund/American Cap**	15.9	–5.1	6.7	372	–11	8.50	0.60
B	**D**	**Axe-Houghton Fund B/Axe Securities**	13.2	–9.7	6.0	165	–19	none	*1.18*
B	**D**	**Bancroft Convertible Fund/closed end**	14.4	5.4	5.3	39	–37	NA	2.40
		Bascom Hill Balanced Fund/Madison	—*	4.4	3.0	8	121	5.00r	*2.00*
		BB&K Diversa Fund/Bailard	—*	0.9	3.3	108	45	none	NA
		Bruce Fund/Bruce	—*	–4.9	3.9	5	–33	none	1.60
		Calvert Social Inv–Managed Grow/Calvert	—*	0.7	3.7	168	8	4.50	*1.36*
D	**A**	**Castle Convertible Fund/closed end**	13.5	–3.4	13.2	50	–18	NA	1.22
		Claremont Fund-Combined/Claremont Finl	—*	–0.5	2.0	16	4	††	*2.10p*
		Colonial Advanced Strategies Gold/Colonial	—*	–6.5	1.0	101	10	6.75	1.45p
B	**C**	**Colonial Fund/Colonial**	15.6	2.5	4.8	257	–3	6.75	0.97
C	**C**	**Composite Bond & Stock Fund/Murphey Favre**	13.5	2.7	5.7	77	–16	4.00	*1.69*
		Convertible Holdings—Capital[1] **Convertible Holdings—Income[1]**	—*	–5.7	6.7	269	–9	NA	0.76p
		Convertible Securities & Income[2]/Federated	—*	2.7	8.3	9	–15	none	1.00
●D	**A**	**Country Capital Income Fund/Country Cap**	—*	6.5	6.9	6	0	5.00	1.15
C	**C**	**Criterion Inc–Commerce Inc Shs/Criterion**	13.5	–3.3	5.5	72	–17	4.75	*1.20*
		Criterion Special Convertible Secs/Criterion	—*	–10.3	4.6	15	–3	6.00r	*2.00*

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Table of distributors, showing addresses and phone numbers, begins on page 250.

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Total return		Yield	Assets		Maximum sales charge	Annual expenses per $100
			Annual average 1978 to 1988	Last 12 months		6/30/88 (millions)	% change '88 vs '87		
		Standard & Poor's 500 stock average	16.9%	–6.9%	3.3%				
		Forbes balanced fund composite	14.6%	–1.3%	5.8%				$1.30
		Dean Witter Convertible Secs/Dean Witter	—*	–15.6%	3.3%	$1,219	–36%	5.00%r	*$1.91*
		Delaware Group Delaware Fund/Delaware	—*	–11.1	2.2	323	–25	8.50	0.73
B	D	**Dodge & Cox Balanced Fund/Dodge & Cox**	15.2%	0.2	5.4	40	3	none	0.72
		Dolphin FRIC Convertible Fund/Dolphin	—*	–0.7	none	9	–3	4.50	*2.25p*
C	C	**Dreyfus Convertible Securities/Dreyfus**	13.6	3.8	4.9	262	–1	none	0.85p
		Duff & Phelps Selected Utilities/closed end	—*	3.8	8.4	1,064	5	NA	1.61
		Eaton Vance High Income Trust/Eaton Vance	—*	6.6	11.6	237	12	6.00b,r	*2.02*
D	A	**Eaton Vance Inc Fund of Boston/Eaton Vance**	12.4	8.2	16.0	45	–1	4.75	1.21
C	C	**Eaton Vance Investors Fund/Eaton Vance**	14.8	–0.3	5.0	211	–12	4.75	0.90
		Ellsworth Convert Grow & Inc/closed end	—*	1.4	6.2	53	–6	NA	1.40
D	B	**Federated Stock & Bond Fund/Federated**	14.2	2.7	5.1	95	–8	none	1.00p
		Fidelity Balanced Fund/Fidelity	—*	5.3	6.6	132	–22	2.00	1.41
		Fidelity Convertible Securities/Fidelity	—*	–3.7	none	50	10	none	1.60
B	B	**Fidelity Puritan Fund/Fidelity**	17.3	0.4	7.3	4,302	–7	2.00	0.80
		First Australia Fund/closed end	—*	–18.0	2.8	62	–23	NA	2.45
		First Lakeshore Diversified Asset/Dreyfus	—*	2.4	6.1	5	0	none	0.00p
D	A	**Franklin Income Fund/Franklin**	15.8	4.4	10.2	653	59	4.00	0.60
		FundTrust–Growth & Income/Furman Selz	—*	–1.3	5.7	58	–33	1.50	*1.58p*
●B	D	**GPM Fund/Trusteed**	—*	–5.6	3.3	6	–15	none	1.46
		Hidden Strength–Mod Asset Alloc[1]/Global Capital	—*	0.9	4.0	30	170	4.75	*1.26*
C	C	**IDS Mutual/IDS**	14.8	2.4	6.4	1,452	–6	5.00	0.63p
D	A+	**Income Fund of America/American Funds**	15.1	2.4	7.5	922	0	5.75	*0.54*
		Indust–Mackenzie Op Inc/Mackenzie	—*	–9.3	5.5	299	10	8.50	1.01
		Integrated Income–Convert Secs/Integrated	—*	–3.5	5.3	34	30	4.75	*1.94p*
		Investment Portfolios–Tot Return/Kemper	—*	–6.9	2.2	531	22	5.00r	*2.12*
A+	F	**Kemper Total Return Fund/Kemper**	16.0	–15.4	3.9	1,034	–16	8.50	0.79
C	C	**Keystone Custodian K-1/Keystone**	12.5	–3.4	7.2	686	–6	4.00b	*1.86*
		Lincoln National Convert Secs/closed end	—*	2.4	6.5	98	–4	NA	0.88
A	C	**Loomis-Sayles Mutual Fund/New England**	16.3	–3.3	3.9	325	6	none	1.02
		MacKay-Shields MainStay–Convert/NYLife	—*	–5.3	3.5	31	–13	5.00r	*2.50*
B	C	**Mass Financial Total Return/Mass Finl**	14.9	–1.1	5.8	487	0	7.25	0.69
D	B	**Merrill Lynch Equi-Bond I Fund/ML Funds**	10.1	2.4	3.7	15	–13	4.50b	1.50p
		Merrill Lynch Phoenix Fund/ML Funds	—*	12.2	3.1	117	–8	6.50	1.18p
		Merrill Lynch Retire Benefit Inv/ML Funds	—*	–4.0	2.8	2,536	–20	4.00r	*1.79*
F	A	**Mutual of Omaha Income/Mutual of Omaha**	10.9	5.3	8.3	158	5	8.00	0.79
		National Strategic Allocation/National Secs	—*	–5.3	none	155	NM	7.75	*1.68*

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[1] Formerly Hidden Strength–Total Return.

Table of distributors, showing addresses and phone numbers, begins on page 250.

1988 Fund Ratings/Balanced

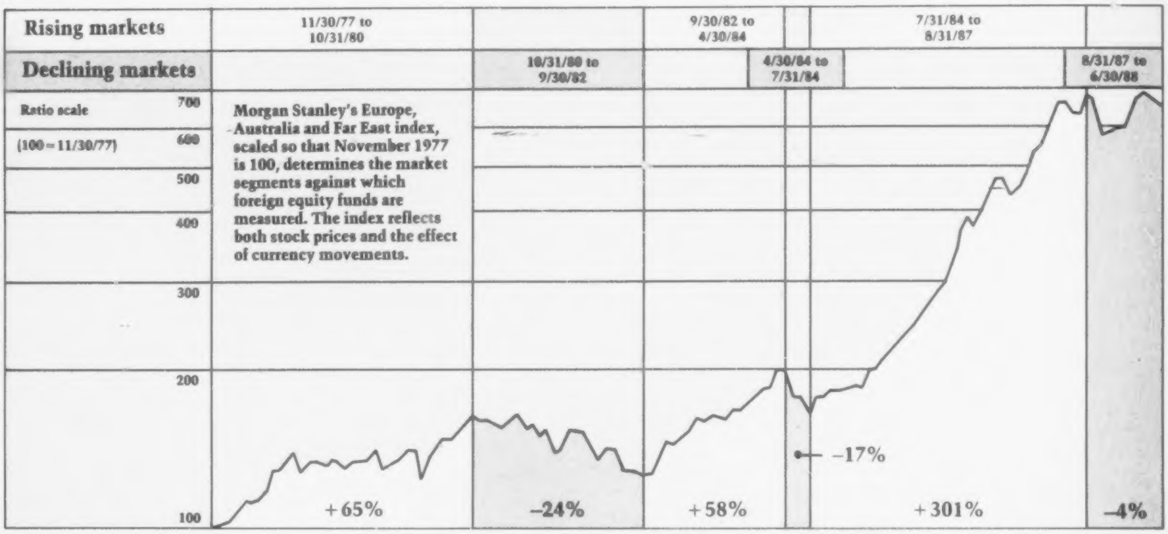
Performance in UP markets	Performance in DOWN markets	Fund/distributor	Total return: Annual average 1978 to 1988	Total return: Last 12 months	Yield	Assets 6/30/88 (millions)	Assets % change '88 vs '87	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	16.9%	–6.9%	3.3%				
		FORBES balanced fund composite	14.6%	–1.3%	5.8%				$1.30
C	B	**National Total Income Fund/National Secs**	15.8%	2.9%	5.8%	$143	–5%	7.25%	$0.91
B	D	**National Total Return Fund/National Secs**	16.1	–2.2	4.9	278	–16	7.25	0.84
		Noddings Convertible Strategies/Noddings	—*	0.1	7.2	8	–34	none	2.00
		Olympic Trust–Balanced Income/Olympic	—*	4.9	5.0	7	72	none	1.00p
•C	D	**Pax World Fund/Pax World**	—*	–3.1	4.2	72	1	none	*1.10*
•B	•C	**Phoenix Balanced Fund/Phoenix**	—*	–4.2	5.0	422	26	8.50	0.74
C	B	**Phoenix Convertible Fund/Phoenix**	16.9	–1.6	7.0	165	6	8.50	0.78
D	B	**Provident Fund for Income/American Cap**	13.8	–6.1	7.1	100	–14	7.25	0.76
		Pru-Bache IncomeVertible Plus/Pru-Bache	—*	1.9	6.1	503	–5	5.00r	*2.00*
A	D	**Putnam Convert Income-Growth/Putnam**	16.4	–8.2	6.6	1,036	–19	8.50	0.84
B	C	**George Putnam Fund of Boston/Putnam**	15.2	–2.1	5.7	403	–7	8.50	0.71
		Rea-Graham Fund/Rea	—*	5.4	3.8	50	2	6.75	1.41p
		RNC Income Fund/Midvale	—*	3.9	none	14	47	4.75	*2.10p*
		RNC Westwind Fund/Midvale	—*	–7.3	none	11	72	4.75	*2.29p*
		Rochester Convertible–Growth/Rochester	—*	–6.3	5.8	6	11	3.25	*2.63*
		Rochester Convertible–Income/Rochester	—*	–4.8	11.9	6	–28	3.25	*2.28*
		Royce Fund–Total Return[1]/Quest Dist	—*	4.5	5.7	7	8	1.00b,r	*1.98*
D	A	**Seligman Income Fund/Seligman**	13.0	4.0	7.9	173	–5	4.75	0.79
C	B	**Sentinel Balanced Fund/Equity Svcs**	14.2	–3.7	5.9	67	–3	8.50	0.67
		Shearson Lehman–Convert Secs/Shearson	—*	3.6	6.4	177	–22	5.00r	*1.78p*
C	C	**Sigma Trust Shares/Sigma**	13.1	0.6	5.1	46	–5	6.00	*1.09*
		Skyline Fund–Balanced/Mesirow	—*	0.5	none	11	208	3.85	1.61p
C	F	**SteinRoe Equity–Total Return/Stein Roe**	12.7	–4.0	5.8	139	–22	none	0.83
•C	•B	**Strong Investment Fund/Strong**	—*	–0.4	5.4	269	–21	1.00	1.20
•A	•C	**Strong Total Return Fund/Strong**	—*	–1.0	5.2	956	6	1.00	1.10
		TCW Convertible Securities Fund/closed end	—*	–4.3	7.4	178	–9	NA	0.83
		Templeton Income Fund/Templeton	—*	4.9	8.3	129	9	8.50	1.00
		Triflex Fund[2]/Securities Mgmt	—*	11.1	7.4	15	51	7.50	0.99
•C	•D	**Unified Income Fund/Unified**	—*	–7.1	6.9	10	–31	none	1.10
A	D	**United Continental Income/Waddell & Reed**	15.0	–9.4	5.7	320	–17	8.50	0.84
		United Gold & Government/Waddell & Reed	—*	–8.2	2.5	117	3	8.50	1.20p
C	C	**United Retirement Shares/Waddell & Reed**	13.4	–1.8	5.6	104	–5	8.50	0.87
		Vanguard Convertible Securities/Vanguard	—*	–4.5	6.3	76	–30	none	0.85
		Vanguard STAR Fund/Vanguard	—*	3.1	6.0	652	2	none	—[3]
D	A+	**Vanguard Wellesley Income Fund/Vanguard**	13.5	5.6	8.2	540	–9	none	0.49
B	C	**Vanguard Wellington Fund/Vanguard**	16.2	–1.1	5.9	1,494	–3	none	0.43

A balanced fund is added to this list if it has at least $5 million in net assets and, if open-end, is at least 12 months old; a fund is dropped when its assets fall below $2 million. Balanced funds are graded only if in operation since 7/31/82. Long-term average total return is for 2/28/78 to 6/30/88. Yield is last 12 months' income dividends divided by 6/30/88 net asset value; it may differ from "yield" as defined by the SEC. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* ● Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. p: Net of partial absorption of expenses by fund sponsor. b: Includes back-end load that reverts to fund. r: Includes back-end load that reverts to distributor. [1] Formerly Royce Equity Income. [2] Formerly American National Bond Fund. [3] Expenses are incurred by underlying funds.

Table of distributors, showing addresses and phone numbers, begins on page 250.

Foreign stock funds

U.S.-based stock funds with predominantly foreign portfolios are in this table. The benchmark for measuring foreign fund performance is the Morgan Stanley Capital International stock market index for Europe, Australia and the Far East (EAFE). The index aims to show the dollar return that a U.S. investor would have enjoyed in the average foreign stock. The index, that is, reflects not only the rising prices on foreign bourses but the declining dollar. Funds based overseas, whether they invest in local markets or in the U.S., are not covered in the FORBES funds survey.



Morgan Stanley's Europe, Australia and Far East index, scaled so that November 1977 is 100, determines the market segments against which foreign equity funds are measured. The index reflects both stock prices and the effect of currency movements.

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Total return: Annual average 1977 to 1988	Total return: Last 12 months	Yield	Assets 6/30/88 (millions)	Assets % change '88 vs '87	Maximum sales charge	Annual expenses per $100
		Morgan Stanley Capital Intl EAFE Index	22.0%	4.1%	1.2%				
		FORBES foreign stock fund composite	18.4%	–4.1%	2.1%				$1.79
D	B	**Alliance Global–Canadian Fund/Alliance**	13.1%	5.6%	0.9%	$27	0%	5.50%	*$1.75*
		Alliance Global–World Equities/Alliance	—*	–6.3	1.9	2	–80	5.50	*2.55p*
●B	●C	**Alliance International Fund/Alliance**	—*	–4.7	1.3	132	–32	5.50	*1.37*
		AMA Growth–Global Growth/AMA	—*	–4.3	1.9	119	–12	none	*1.4*[illegible]
B	D	**ASA Limited/closed end**	16.5	–36.8	9.6	499	–41	NA	0.24
		Asia Pacific Fund/closed end	—*	–11.4	none	75	–11	NA	1.99
		Blanchard Strategic Growth/Sheffield	—*	–2.1	2.1	251	35	none²	*2.28*
		Brazil Fund/closed end	—*	—*	—*	141	—	NA	NA
●D	●C	**Bull & Bear Gold Investors¹/~~Bull & Bear~~**	—*	–17.3	none	48	–23	none	*2.46*
		Clemente Global Growth Fund/closed end	—*	–6.3	none	52	–6	NA	2.94p

A foreign stock fund is added to this list if it has at least $5 million in net assets and, if open-end, is at least 12 months old; a fund is dropped when its assets fall below $2 million. Foreign stock funds are graded only if in operation since 9/30/82. Long-term average total return is for 11/30/77 to 6/30/88. Yield is last 12 months' income dividends divided by 6/30/88 net asset value; it may differ from "yield" as defined by the SEC. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* ● Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. p: Net of partial absorption of expenses by fund sponsor. b: Includes back-end load that reverts to fund. r: Includes back-end load that reverts to distributor. NA: Not applicable or not available. ¹Formerly Golconda Investors. ²Flat fee of $125 on initial investment.

Table of distributors, showing addresses and phone numbers, begins on page 250.

Performance in UP markets	in DOWN markets	Fund/distributor	Total return: Annual average 1977 to 1988	Total return: Last 12 months	Yield	Assets: 6/30/88 (millions)	Assets: % change '88 vs '87	Maximum sales charge	Annual expenses per $100
		Morgan Stanley Capital Intl EAFE Index	22.0%	4.1%	1.2%				
		FORBES foreign stock fund composite	18.4%	–4.1%	2.1%				$1.79
		Colonial Intl Equity Index/Colonial	—*	–0.9%	none	$8	–12%	4.75%	*$1.65*
		Criterion Special Global Growth/Criterion	—*	–16.6	none	10	–7	6.00r	*2.96*
		Dean Witter World Wide Inv/Dean Witter	—*	–3.9	0.5%	343	–31	5.00r	*2.13*
		Dreyfus Strategic World Inv LP/Dreyfus	—*	21.5	none	16	403	3.00	NA
		EuroPacific Growth Fund/American Funds	—*	–1.7	1.9	193	–21	5.75	*1.21*
		Fenimore Intl Fund Equity/Drexel	—*	–15.9	1.6	63	–34	5.00r	*2.62p*
		Fidelity Europe Fund/Fidelity	—*	–15.7	none	79	–61	3.00r	3.10p
		Fidelity International Growth & Inc/Fidelity	—*	–7.0	0.6	33	–37	2.00r	2.91
		Fidelity Overseas Fund/Fidelity	—*	–9.1	none	1,315	–43	3.00	1.61
		Fidelity Pacific Basin Fund/Fidelity	—*	–5.1	none	151	–52	3.00r	2.08
		Financial Strategic–European/Financial Prog	—*	–15.7	0.6	6	31	none	1.50p
		Financial Strategic–Pacific Basin/Financial Prog	—*	–6.5	0.6	35	–42	none	1.26
		First Iberian Fund/closed end	—*	—*	—*	59	—	NA	NA
●C	●B	**First Investors International Secs/First Inv**	—*	4.7	none	100	44	8.50	*1.73*
		Flag Investors International Trust/Brown	—*	–7.3	1.4	38	5	4.50	*1.46p*
		France Fund/closed end	—*	–19.6	0.8	78	–30	NA	1.95
B	C	**Franklin Gold Fund/Franklin**	21.6%	–10.9	4.5	276	1	4.00	0.71
		Freedom Inv II–Global Fund/Tucker Anthony	—*	–12.0	none	42	–35	3.00r	*2.53*
		FT International/Federated	—*	–7.0	1.5	70	–41	none	1.00p
		Fund Source–Intl Equity/Furman Selz	—*	–3.4	none	31	10	none	*1.25p*
		GAM Global Fund/GAM	—*	–7.4	1.3	20	–27	none	*2.09*
		GAM International Fund/GAM	—*	–10.2	0.7	22	–36	none	*2.23p*
		GAM Pacific Basin Fund/GAM	—*	–3.1	none	6	287	none	*6.80*
		Germany Fund/closed end	—*	–17.9	none	60	–25	NA	1.86
		Global Government Plus/closed end	—*	—*	—*	473	—	NA	1.83
		GT Global Europe/GT Global	—*	–11.4	none	8	–56	4.75	*2.00*
		GT Global Worldwide/GT Global	—*	–1.2	none	9	193	4.75	*2.80*
		GT Global International/GT Global	—*	–3.2	none	21	–12	4.75	*1.90*
		GT Global Japan/GT Global	—*	45.9	none	20	183	4.75	*3.00*
D	C	**GT Global Pacific/GT Global**	15.0	3.2	none	51	–14	4.75	*1.90*
		John Hancock Global Trust/Hancock	—*	–11.9	0.3	141	–11	8.50	1.47
		Helvetia Fund/closed end	—*	—*	—*	88	—	NA	1.85
		IAI International Fund/IAI Funds	—*	–2.6	none	13	8	none	2.13
		IDS International Fund/IDS	—*	–13.8	0.2	245	–31	5.00	1.16p
		IDS Strategy–Pan Pacific Growth/IDS	—*	–15.2	none	60	15	5.00r	*2.16p*
		Ivy International Fund/Ivy	—*	2.3	0.3	23	47	none	1.90
C	B	**Japan Fund/Scudder**	20.9	13.7	0.8	402	–43	none	0.90

A foreign stock fund is added to this list if it has at least $5 million in net assets and, if open-end, is at least 12 months old; a fund is dropped when its assets fall below $2 million. Foreign stock funds are graded only if in operation since 9/30/82. Long-term average total return is for 11/30/77 to 6/30/88. Yield is last 12 months' income dividends divided by 6/30/88 net asset value; it may differ from "yield" as defined by the SEC. *Expense ratio is in italics if the fund has a shareholder paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* ● Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. p: Net of partial absorption of expenses by fund sponsor. b: Includes back-end load that reverts to fund. r: Includes back-end load that reverts to distributor. NA: Not applicable or not available.

Table of distributors, showing addresses and phone numbers, begins on page 250.

1988 Fund Ratings/Foreign

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Total return: Annual average 1977 to 1988	Total return: Last 12 months	Yield	Assets 6/30/88 (millions)	Assets % change '88 vs '87	Maximum sales charge	Annual expenses per $100
		Morgan Stanley Capital Intl EAFE Index	22.0%	4.1%	1.2%				
		FORBES foreign stock fund composite	18.4%	–4.1%	2.1%				$1.79
•C	•C	Kemper International Fund/Kemper	—*	–2.0%	1.3%	$178	–25%	8.50%	$1.08p
D	C	Keystone International Fund/Keystone	14.8%	–10.8	1.2	117	–27	4.00b	*2.03p*
B	D	Keystone Precious Metals/Keystone	17.6	–11.8	1.1	258	25	4.00b	*1.84*
C	C	Kleinwort Benson–Transatlantic Gr/Kleinwort	16.7	–3.2	none	57	–44	none	*1.72*
		Korea Fund/closed end	—*	36.0	2.0	265	26	NA	1.50
		Lexington Global Fund/Lexington	—*	8.9	0.1	32	154	5.00	1.13p
		MacKay-Shields MainStay–Global/NYLife	—*	–1.8	1.7	18	36	5.00r	*3.20*
		Malaysia Fund/closed end	—*	–11.8	1.6	69	–14	NA	1.80
		Merrill Lynch EuroFund/ML Funds	—*	–15.8	0.6	295	–39	4.00r	*2.04p*
		Merrill Lynch Intl Holdings/ML Funds	—*	–5.8	2.5	233	–35	6.50	1.31
B	C	Merrill Lynch Pacific Fund/ML Funds	24.6	–6.5	4.5	292	–39	6.50	0.94
•A	•D	Mexico Fund/closed end	—*	–28.4	2.0	145	–30	NA	1.68
		MFS Lifetime Global Equity Trust/Mass Finl	—*	–9.1	none	43	100	6.00r	*2.49*
C	B	New Perspective Fund/American Funds	19.1	–4.0	2.4	1,006	–10	5.75	*0.64*
		Nomura Pacific Basin Fund/Nomura	—*	6.6	0.4	87	–16	none	1.22
C	C	Oppenheimer Global Fund/Oppenheimer	20.1	–9.2	0.3	411	–20	8.50	1.96
		PaineWebber Atlas Fund/PaineWebber	—*	–7.3	1.4	214	–33	8.50	1.21
•B	•C	T Rowe Price International Stock/Price	—*	–5.3	1.5	654	–35	none	1.23
		Pru-Bache Global Fund/Pru-Bache	—*	–8.3	3.8	560	–33	5.00r	*1.95p*
		Pru-Bache Global Genesis/Pru-Bache	—*	—*	—*	11	—	5.00r	3.95
		Pru-Bache Global Natural Res/Pru-Bache	—*	—*	—*	52	—	5.00r	*2.47p*
C	C	Putnam International Equities/Putnam	19.6	–9.9	1.4	506	–17	8.50	1.39
		Scudder Global Fund/Scudder	—*	–4.5	0.4	81	–21	none	1.72p
C	C	Scudder International Fund/Scudder	18.3	–5.9	2.2	551	–32	none	1.21
		Scudder New Asia Fund/closed end	—*	12.7	0.6	87	12	NA	0.75
		Shearson Lehman Global Oppor/Shearson	—*	–15.0	0.7	140	–48	5.00	1.30
		Shearson Lehman–Intl Equity/Shearson	—*	–14.9	none	97	–47	5.00r	*2.66p*
		Sigma World Fund/Sigma	—*	–4.8	0.3	8	–27	6.00	*2.03p*
D	A	SoGen International Fund/Sogen	19.6	3.3	4.8	106	3	3.75	*1.36*
		Taiwan Fund/closed end	—*	120.5[1]	none	81	105	NA	3.75
		Templeton Emerging Markets/closed end	—*	–1.1	2.2	106	–5	NA	2.14
		Templeton Foreign Fund/Templeton	—*	3.5	3.0	297	7	8.50	0.77
•C	•A	Templeton Global I/Templeton	—*	–6.1	2.8	278	–18	†	0.55
		Templeton Global II/Templeton	—*	–5.5	3.0	492	–16	8.50	0.61
C	C	Templeton Growth Fund/Templeton	17.4	–0.3	3.2	1,506	4	8.50	0.66
•D	B	Templeton World Fund/Templeton	—*	0.0	4.2	3,858	–8	8.50	0.67
		Thai Fund/closed end	—*	—*	—*	112	—	NA	1.41

A foreign stock fund is added to this list if it has at least $5 million in net assets and, if open-end, is at least 12 months old; a fund is dropped when its assets fall below $2 million. Foreign stock funds are graded only if in operation since 9/30/82. Long-term average total return is for 11/30/77 to 6/30/88. Yield is last 12 months' income dividends divided by 6/30/88 net asset value; it may differ from "yield" as defined by the SEC. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* ● Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. †Closed to all investors. p: Net of partial absorption of expenses by fund sponsor. b: Includes back-end load that reverts to fund. r: Includes back-end load that reverts to distributor. NA: Not applicable or not available. [1] Adjusted for effect of secondary offering 5/18/88.

Table of distributors, showing addresses and phone numbers, begins on page 250.

1988 Fund Ratings/Foreign

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Total return: Annual average 1977 to 1988	Total return: Last 12 months	Yield	Assets 6/30/88 (millions)	Assets % change '88 vs '87	Maximum sales charge	Annual expenses per $100
		Morgan Stanley Capital Intl EAFE Index	22.0%	4.1%	1.2%				
		FORBES foreign stock fund composite	18.4%	–4.1%	2.1%				**$1.79**
		Thomson McKinnon Inv–Global/Thomson	—*	–7.5%	none	$67	–36%	5.00%r	*$2.50*
C	A	**United International Growth/Waddell & Reed**	19.6%	–1.4	2.0%	290	–1	8.50	1.07
A	D	**United Services–Gold Shares/United Services**	14.6	–36.5	10.7	236	–42	none	1.18
		United Services–Prospector/United Services	—*	–24.0	9.1	45	–41	2.00†r	3.20
		US Boston Inv–Foreign Perform[1]/US Boston	—*	–18.9	1.3	6	–24	1.00r	2.00p
A	D	**Van Eck International Investors/Van Eck**	21.6	–20.6	3.4	862	–24	8.50	0.71
		Van Eck World Trends Fund/Van Eck	—*	–5.3	2.1	78	–21	7.50	*1.55*
		Vanguard Spec–Gold & Prec/Vanguard	—*	–13.6	3.3	136	–23	1.00b	0.47
		Vanguard Trustees Comm–Intl/Vanguard	—*	5.8	3.6	602	–26	none	0.50
		Vanguard World–Intl Growth/Vanguard	—*	5.3	1.2	499	–11	none	0.66
		Warburg International Fund/Reich & Tang	—*	–6.4	0.7	7	–20	none	1.99p

Foreign bond funds

Since the dollar started falling three years ago, a lot of foreign bond funds have come out of the woodwork. So long as the dollar falls, these funds have an advantage over funds that buy U.S. bonds. But when the dollar rebounds, they suffer. The funds listed below are too new for us to assign performance grades to them.

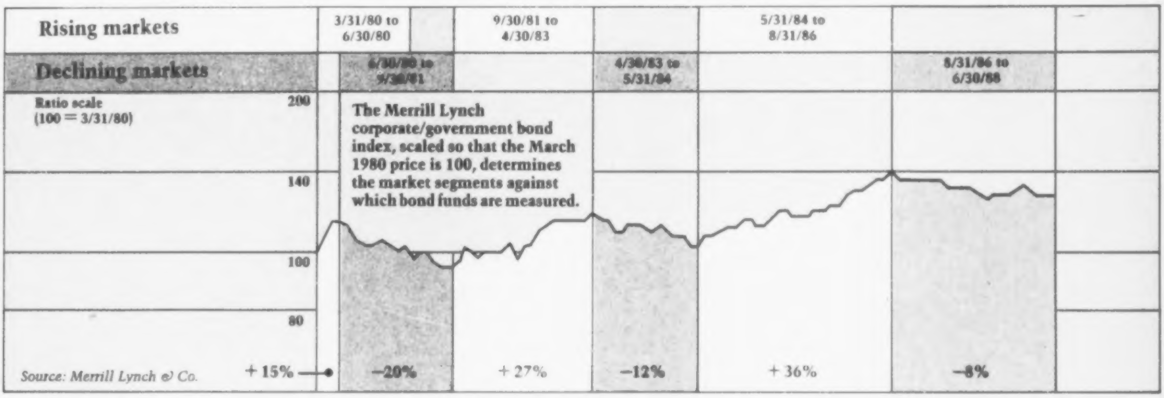
Fund/distributor	Total return Last 12 months	Yield	Assets 6/30/88 (millions)	Assets % change '88 vs '87	Maximum sales charge	Annual expenses per $100
FORBES foreign bond fund composite	13.8%	8.5%				**$1.52**
AMA Income–Global Short-Term/AMA	6.4%	5.3%	$28	82%	none	*$1.65*
Fidelity Global Bond Fund/Fidelity	11.2	6.9	79	176	none	0.95p
First Australia Prime Income/closed end	27.9	10.8	894	14	NA	1.03
Freedom Inv II–Global Inc + /Tucker Anthony	17.4	8.5	131	433	3.00%r	*1.82*
Global Yield Fund/closed end	16.3	11.8	667	–14	NA	1.07
International Cash–Global/Huntington Inv	9.7	4.3	183	435	1.25	*2.00p*
Kleinwort Benson Australian Inc/closed end	27.7	8.5	73	11	NA	1.53
Mass Financial Intl-Bond/Mass Finl	12.6	15.3	165	11	7.25	1.13
Merrill Lynch Retire Global/ML Funds	10.8	6.9	314	–13	4.00r	*1.73*
PaineWebber Master Global Inc/PaineWebber	19.7	7.5	1,097	62	5.00r	*2.04*
T Rowe Price International Bond/Price	9.6	9.3	420	108	none	1.25p
Putnam Global Government Inc/Putnam	25.2	9.7	129	233	4.75	NA
Shearson Lehman Prec Metals/Shearson	–11.7	none	60	–15	5.00	1.76p
Shearson Lehman–Global Bond/Shearson	9.9	5.1	165	1	5.00r	*1.84p*
Templeton Global Income Fund/closed end	—*	—*	1,008	—	NA	NA

Foreign bond funds must have $25 million in assets to be listed; they are not rated for long-term performance. Yield is last 12 months' income dividends divided by 6/30/88 net asset value; it may differ from "yield" as defined by the SEC. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* *Fund not in operation for full period. †Closed to all investors. p: Net of partial absorption of expenses by fund sponsor. b: Includes back-end load that reverts to fund. r: Includes back-end load that reverts to distributor. NA: Not applicable or not available. [1]Formerly US Boston Investment–International.

Table of distributors, showing addresses and phone numbers, begins on page 250.

Bond & preferred stock funds

Bond funds are rated according to the same recipe as stock funds, with separate grades in up and down markets. The cycles are different, however—they begin in 1980 rather than 1978—and the benchmark, of course, is different. The concept: It's easy to do well in either bull markets (by buying long-term bonds) or bear markets (by buying short-term bonds) but hard to do well in both. To be rated at all, a bond fund must have beei. in existence for at least two full market cycles, that is, since Sept. 30, 1981. The list of distributor addresses and phone numbers begins on page 250.



The Merrill Lynch corporate/government bond index, scaled so that the March 1980 price is 100, determines the market segments against which bond funds are measured.

Source: Merrill Lynch & Co.

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Total return: Annual average 1980 to 1988	Total return: Last 12 months	Yield	Assets 6/30/88 (millions)	Assets % change '88 vs '87	Maximum sales charge	Annual expenses per $100
		Merrill Lynch corporate/govt bond index	13.8%	7.3%	9.0%				
		Forbes bond and preferred stock composite	13.8%	6.4%	9.8%				**$1.04**
		AARP Income–General Bond/Scudder	—*	6.6%	9.5%	$123	8%	none	**$1.18p**
		AARP Income–GNMA & US Treas/Scudder	—*	7.2	9.1	2,829	−4	none	0.88
		ACM Government Income Fund/closed end	—*	—*	—*	512	—	NA	1.64
		ACM Government Securities/closed end	—*	—*	—*	701	—	NA	1.58
		ACM Government Spectrum/closed end	—*	—*	—*	292	—	NA	1.25
		Advantage Government Securities/Advest	—*	1.1	7.4	218	−15	4.00%r	*1.79*
		Alliance Bond–High Yield/Alliance	—*	2.3	12.7	355	−24	5.50	*1.01*
B	D	**Alliance Bond–Monthly Inc Shs/Alliance**	13.8%	6.1	9.7	38	−9	5.50	*1.76*
		Alliance Bond–US Government/Alliance	—*	6.4	10.9	529	7	5.50	*1.07*
		Alliance Mortgage Securities Inc/Alliance	—*	9.8	10.8	656	−13	5.50	*1.15*
D	D	**AMA Income–Classic Income/AMA**	11.8	4.5	7.4	41	5	none	*1.62*
B	B	**American Capital Bond Fund/closed end**	14.8	9.2	10.2	232	0	NA	0.70
C	B	**American Capital Corp Bond/American Cap**	14.1	11.6	11.1	209	54	4.75	0.70
		American Capital Federal Mort/American Cap	—*	6.6	8.2	57	−34	4.75	*1.15*
		American Capital Govt Secs/American Cap	—*	4.8	9.0	6,065	−31	6.75	*0.69*
C	B	**American Capital High Yld Inv/American Cap**	14.1	6.5	12.8	600	1	6.75	0.70

A taxable bond fund is included if it has at least $25 million in net assets and, if open-end, is at least 12 months old. It will be graded only if in operation since 9/30/81. Long-term average total return is for 3/31/80 to 6/30/88. Yield is last 12 months' income dividends divided by 6/30/88 net asset value; it may differ from "yield" as defined by the SEC. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* ● Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. p: Net of partial absorption of expenses by fund sponsor. b: Includes back-end load that reverts to fund. r: Includes back-end load that reverts to distributor. NA: Not applicable or not available.

Table of distributors, showing addresses and phone numbers, begins on page 250.

Performance			Total return			Assets			
in UP —markets	in DOWN markets—	Fund/distributor	Annual average 1980 to 1988	Last 12 months	Yield	6/30/88 (millions)	% change '88 vs '87	Maximum sales charge	Annual expenses per $100
		Merrill Lynch corporate/govt bond index	13.8%	7.3%	9.0%				
		FORBES bond and preferred stock composite	13.8%	6.4%	9.8%				$1.04
		American Inc-US Govt Guar/American Funds	—*	7.1%	9.6%	$406	12%	4.75%	*$1.00*
		American Government Income/closed end	—*	—*	—*	157	—	NA	1.40
B	D	**AMEV Securities/closed end**	13.3%	6.8	10.3	110	–1	NA	0.83
C	B	**AMEV US Govt Securities Fund/AMEV**	13.9	8.3	9.3	107	3	4.50	0.90
		Avondale Government Securities/Avondale	—*	5.5	7.5	41	4	none	0.60p
A	C	**Axe-Houghton Income Fund/Axe Securities**	15.1	6.2	9.6	58	9	none	*1.42*
D	B	**Babson Bond Trust–Long-Term/Jones & Babson**	12.8	6.7	11.2	65	–7	none	0.97
		Bartlett Capital–Fixed Income/Bartlett	—*	7.0	8.6	163	9	none	1.00
		Benham Government Inc–GNMA/Benham	—*	9.4	9.0	254	–15	none	0.73p
C	B	**Bond Fund of America/American Funds**	14.4	8.4	9.4	909	10	4.75	*0.59*
		Boston Co Managed Income/Boston Co	—*	7.1	9.4	58	–4	none	*0.94*
		Bull & Bear High Yield Fund/Bull & Bear	—*	–5.9	13.2	124	–40	none	*1.50*
		Bull & Bear US Govt Guar Secs/Bull & Bear	—*	8.4	10.4	65	40	none	*2.06p*
B	C	**Bunker Hill Income Securities/closed end**	13.9	9.0	12.0	48	–3	NA	0.96
•D	A	**Capital Preservation Treas Note/Benham**	—*	5.5	7.6	56	48	none	0.75p
		Cardinal Government Guaranteed/Ohio Co	—*	7.6	9.5	151	–7	4.75	0.72
		Carnegie Govt Secs–Hi Yld Govt/Carnegie	—*	7.0	6.3	56	18	4.50	*1.28*
		Cigna Government Securities/Cigna	—*	6.9	8.4	42	393	5.00	*1.20*
B	A	**Cigna High Yield Fund/Cigna**	15.6	9.2	11.7	264	–2	5.00	*0.92*
B	C	**Cigna Income Fund/Cigna**	14.1	7.2	8.2	234	–9	5.00	*0.84*
C	B	**Circle Income Shares/closed end**	13.7	10.0	10.7	33	1	NA	0.94
B	C	**CNA Income Shares/closed end**	15.0	9.5	11.9	81	–2	NA	0.90
		Colonial Government Secs Plus/Colonial	—*	5.7	8.1	3,262	–21	6.75	*1.13*
C	A	**Colonial High Yield Securities/Colonial**	14.9	8.4	11.4	466	–2	4.75	*1.18*
C	D	**Colonial Income Trust/Colonial**	12.9	6.1	10.7	165	–5	4.75	*1.15*
		Columbia Fixed Income Secs/Columbia	—*	7.4	8.4	104	–9	none	0.82
		Common Sense–Government/Common Sense	—*	4.4	7.9	55	412	6.75	1.66
C	D	**Composite Income Fund/Murphey Favre**	12.8	7.7	10.6	165	38	4.00	*0.99*
		Composite US Govt Securities/Murphey Favre	—*	8.6	9.3	89	–14	4.00	*0.88*
		Comstock Partners Strategy Fund/closed end	—*	—*	—*	1,230	—	NA	NA
		Connecticut Mutual–Govt Secs/Conn Mutual	—*	8.4	8.0	33	33	6.25	1.23
		Continental US Govt Plus/Continental	—*	6.4	6.5	80	128	5.50r	*2.10*
•A	•D	**Criterion Bond–Investment Qual/Criterion**	—*	6.0	8.6	127	–17	4.75	*1.14*
		Criterion Bond–US Govt High Yld/Criterion	—*	6.0	9.3	1,398	–27	4.75	*1.07*
A	D	**Current Income Shares/closed end**	14.9	7.1	11.5	44	–4	NA	1.00
		Dean Witter Government Income/closed end	—*	—*	—*	639	—	NA	0.82
		Dean Witter Govt Secs Plus/Dean Witter	—*	4.4	8.2	2,218	27	5.00r	*1.51*
B	C	**Dean Witter High Yield Secs/Dean Witter**	13.9	1.2	14.7	2,112	8	5.50	0.49

A taxable bond fund is included if it has at least $25 million in net assets and, if open-end, is at least 12 months old. It will be graded only if in operation since 9/30/81. Long-term average total return is for 3/31/80 to 6/30/88. Yield is last 12 months' income dividends divided by 6/30/88 net asset value; it may differ from "yield" as defined by the SEC. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* ● Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. p: Net of partial absorption of expenses by fund sponsor. b: Includes back-end load that reverts to fund. *r: Includes back-end load that reverts to distributor.* NA: Not applicable or not available.

Table of distributors, showing addresses and phone numbers, begins on page 250.

1988 Fund Ratings/Bond & Preferred

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Total return: Annual average 1980 to 1988	Total return: Last 12 months	Yield	Assets 6/30/88 (millions)	Assets % change '88 vs '87	Maximum sales charge	Annual expenses per $100
		Merrill Lynch corporate/govt bond index	13.8%	7.3%	9.0%				
		Forbes bond and preferred stock composite	13.8%	6.4%	9.8%				$1.04
		Dean Witter US Govt Securities/Dean Witter	—*	7.3%	9.9%	$10,711	0%	5.00%r	*$1.21*
B	C	Delaware Group Delchester H-Y–I/Delaware	14.4%	9.0	12.3	561	45	6.75	0.84
		Delaware Group Govt–Inc/Delaware	—*	8.2	9.4	161	85	4.75	*0.89p*
		Delaware Group Treas Res–Inv/Delaware	—*	6.7	7.3	141	–14	none	*1.06*
D	A+	Drexel Bond-Debenture Trading/closed end	15.8	9.3	9.3	52	0	NA	1.02
		Drexel Series–Government Secs/Drexel	—*	5.3	7.4	296	–37	5.00r	*1.81*
D	B	Dreyfus A Bonds Plus/Dreyfus	12.1	5.6	8.1	261	–4	none	0.88
		Dreyfus GNMA Fund/Dreyfus	—*	7.7	8.9	1,964	–16	none	*1.01*
		Dreyfus Strategic Income/Dreyfus	—*	10.0	9.5	37	4	4.50	*0.48*
		Dreyfus US Govt Intermed LP/Dreyfus	—*	7.5	9.7	67	NM	none	0.00p
		Eaton Vance Government Oblig/Eaton Vance	—*	7.8	10.1	353	–16	4.75	*1.19*
C	B	Eaton Vance High Yield/Eaton Vance	14.2	7.0	11.9	34	–6	4.75	1.04
		Equitec Siebel High Yield Bond/Equitec	—*	4.1	10.6	25	8	5.00r	*2.50p*
		Equitec Siebel US Govt Secs/Equitec	—*	6.5	9.7	191	106	5.00r	*2.08*
B	F	Excelsior Income Shares/closed end	12.6	5.8	8.2	38	–3	NA	0.98
		Federated Floating Rate Trust/Federated	—*	5.7	10.5	80	–5	none	0.50p
		Federated GNMA Trust/Federated	—*	8.6	9.5	1,915	–25	none	0.52
C	C	Federated High Income Securities/Federated	13.8	4.9	12.8	369	–2	4.50	1.05p
		Federated High Yield Trust/Federated	—*	6.4	12.6	239	–12	none	0.75p
		Federated Income Trust/Federated	—*	8.4	9.6	1,356	–15	none	0.50
		Federated Intermediate Govt/Federated	—*	7.2	8.4	1,414	–24	none	0.45p
		Federated Short-Intermed Govt/Federated	—*	7.0	8.2	2,867	–21	none	0.46p
C	D	Fidelity Flexible Bond Fund/Fidelity	12.2	7.0	8.9	319	–14	none	0.76
		Fidelity Ginnie Mae/Fidelity	—*	7.1	8.6	733	–17	none	0.93
D	B	Fidelity Government Securities/Fidelity	11.5	6.3	9.2	640	–9	none	0.87
A	A	Fidelity High Income Fund/Fidelity	16.2	5.1	11.7	1,639	–9	none	0.88
D	A	Fidelity Intermediate Bond Fund/Fidelity	13.0	6.8	9.2	469	31	none	0.86
	•	Fidelity Mortgage Securities/Fidelity	—*	7.4	8.8	489	–20	none	0.92
		Fidelity Short-Term Bond/Fidelity	—*	6.4	8.9	386	121	none	0.88p
		Financial Bond Shs–High Yield/Financial Prog	—*	7.7	11.6	57	33	none	0.86
		Financial Independence–US Govt/MGF	—*	7.3	8.1	35	–32	4.00	*1.60p*
		First Boston Income Fund/closed end	—*	7.3	10.1	211	–3	NA	0.77
		First Boston Strategic Income/closed end	—*	—*	—*	93	—	NA	NA
D	A	First Investors Bond Appreciation/First Inv	12.5	–5.1	11.7	219	–1	7.25	*1.26*
D	C	First Investors Fund for Income/First Inv	11.6	3.5	12.6	1,728	–2	8.50	*1.08*
		First Investors Government Fund/First Inv	—*	8.2	8.1	301	–15	7.25	*1.24p*
		First Investors High Yield Fund/First Inv	—*	5.3	11.7	377	156	7.25	*1.28p*
		First Trust–US Government/Brown & Assoc	—*	7.8	8.7	253	–19	4.75	*0.94*

A taxable bond fund is included if it has at least $25 million in net assets and, if open-end, is at least 12 months old. It will be graded only if in operation since 9/30/81. Long-term average total return is for 3/31/80 to 6/30/88. Yield is last 12 months' income dividends divided by 6/30/88 net asset value; it may differ from "yield" as defined by the SEC. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* ● Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. p: Net of partial absorption of expenses by fund sponsor. b: Includes back-end load that reverts to fund. r: Includes back-end load that reverts to distributor. NA: Not applicable or not available. NM: Not meaningful.

Table of distributors, showing addresses and phone numbers, begins on page 250.

1988 Fund Ratings/Bond & Preferred

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Total return: Annual average 1980 to 1988	Total return: Last 12 months	Yield	Assets: 6/30/88 (millions)	Assets: % change '88 vs '87	Maximum sales charge	Annual expenses per $100
		Merrill Lynch corporate/govt bond index	13.8%	7.3%	9.0%				
		FORBES bond and preferred stock composite	13.8%	6.4%	9.8%				$1.04
A+	F	Fort Dearborn Income Securities/closed end	15.3%	8.4%	9.2%	$102	0%	NA	$0.79
C	B	Franklin AGE High Income Fund/Franklin	14.2	6.8	12.8	1,890	12	4.00%	0.57
		Franklin Short-Intermediate US/Franklin	—*	0.7	none	29	738	1.50	0.14p
		Franklin Tax-Advantaged US Govt/Franklin	—*	9.8	9.7	26	780	4.00	NA
D	D	Franklin US Government Secs/Franklin	11.7	8.9	9.9	12,436	–13	4.00	0.53
		Freedom Inv–Govt Plus/Tucker Anthony	—*	6.9	8.3	166	–5	3.00r	*1.18*
		FS Government Securities Inc/Furman Selz	—*	5.0	7.9	62	–46	1.75	*1.45p*
B	D	Fund for US Govt Securities/Federated	12.7	8.2	9.4	1,157	2	4.50	0.96p
		FundTrust–Income/Furman Selz	—*	3.2	9.1	54	–4	1.50	*1.66p*
		Government Income Securities/Federated	—*	8.2	9.5	1,753	–31	2.50r	0.81
B	C	John Hancock Bond Trust/Hancock	13.6	7.2	9.4	1,111	–3	8.50	0.82
		John Hancock High Inc–Fed Secs/Hancock	—*	6.5	10.8	72	NM	4.75	*1.24p*
		John Hancock High Inc–Fixed Inc/Hancock	—*	7.2	11.8	67	96	4.75	*1.09p*
A+	D	John Hancock Income Securities/closed end	14.9	7.5	12.1	145	–3	NA	0.69
C	B	John Hancock Investors Trust/closed end	14.5	7.9	12.3	143	–3	NA	0.69
		John Hancock US Guar Mort/Hancock	—*	8.1	9.7	413	–6	8.50	0.87
D	B	John Hancock US Govt Securities/Hancock	11.8	4.9	8.8	203	–5	8.50	0.97
B	C	Hatteras Income Securities/closed end	14.5	6.5	10.2	50	–2	NA	0.98
		Hidden Strength–US Govt H-Y/Global Capital	—*	10.9	10.1	57	NM	4.75	*0.00p*
		High Income Advantage Trust/closed end	—*	—*	—*	283	—	NA	0.89
		High Yield Income Fund/closed end	—*	—*	—*	99	—	NA	1.73
		High Yield Plus Fund/closed end	—*	—*	—*	100	—	NA	NA
D	A	High Yield Securities/AIM	13.4	1.3	13.2	81	–7	4.75	*1.12*
		Home Investors Govt Guar Inc/Integrated	—*	7.0	8.2	184	–12	5.00r	*1.73*
		Hutton Investment–Bond & Inc/Shearson	—*	5.2	9.4	628	29	5.00r	*1.62*
		Hutton Investment–Govt Secs/Shearson	—*	2.2	9.4	3,394	–46	5.00r	*1.64*
D	D	IAI Bond Fund/IAI Funds	12.0	6.7	9.8	45	10	none	0.80
		IAI Reserve Fund/IAI Funds	—*	6.4	7.3	72	107	none	0.80
B	C	IDS Bond Fund/IDS	14.6	5.2	9.6	1,770	–6	5.00	0.75p
		IDS Extra Income Fund/IDS	—*	5.2	11.3	1,167	6	5.00	0.82p
		IDS Federal Income Fund/IDS	—*	8.7	8.1	183	1	5.00	0.80p
A	C	IDS Selective Fund/IDS	14.5	6.9	8.9	1,111	–6	5.00	0.72
		IDS Strategy–Income/IDS	—*	2.3	5.9	158	6	5.00r	*1.68p*
B	D	INA Investment Securities/closed end	13.6	7.1	9.9	86	–3	NA	0.88
A	D	Independence Square Income Secs/closed end	14.0	9.3	10.8	30	–1	NA	0.90
		Integrated Income–Govt Secs Plus/Integrated	—*	6.8	10.0	30	530	4.75	*0.22p*
		Integrated Income–Income Plus/Integrated	—*	6.2	10.8	26	48	5.00r	*1.83p*
A	C	InterCapital Income Securities/closed end	15.4	8.2	10.9	212	0	NA	0.73

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Table of distributors, showing addresses and phone numbers, begins on page 250.

[redacted]

Performance in UP markets	in DOWN markets	Fund/distributor	Total return: Annual average 1980 to 1988	Last 12 months	Yield	Assets 6/30/88 (millions)	% change '88 vs '87	Maximum sales charge	Annual expenses per $100
		Merrill Lynch corporate/govt bond index	**13.8%**	**7.3%**	**9.0%**				
		Forbes bond and preferred stock composite	**13.8%**	**6.4%**	**9.8%**				**$1.04**
		International Heritage–High Yld/Intl Heritage	—*	5.3%	14.3%	$47	NM	6.75%	*$0.59p*
		Investment Portfolios–Govt Plus/Kemper	—*	5.6	10.6	6,383	–2%	5.00r	*1.95*
		Investment Portfolios–High Yield/Kemper	—*	9.5	12.3	463	46	5.00r	*2.07*
		Kemper High Income Trust/closed end	—*	—*	—*	219	—	NA	NA
B	**A+**	**Kemper High Yield Fund/Kemper**	17.2%	11.8	12.0	757	70	4.50	0.71
C	**C**	**Kemper Income & Capital Preserv/Kemper**	13.3	7.8	11.1	296	16	4.50	0.67
C	**D**	**Kemper US Government Secs/Kemper**	12.2	6.3	10.8	4,423	1	4.50	0.48
		Keystone America Govt Secs/Keystone	—*	4.3	8.4	75	NM	4.00r	*1.00p*
		Keystone America High Yld Bond/Keystone	—*	4.2	11.4	113	NM	4.00r	*1.00p*
		Keystone America Inv Grade Bond/Keystone	—*	2.6	9.0	39	NM	4.00r	*1.00p*
C	**D**	**Keystone Custodian B-1/Keystone**	12.1	3.6	8.4	469	–10	4.00b	*1.60*
C	**C**	**Keystone Custodian B-2/Keystone**	13.0	5.2	10.1	885	–5	4.00b	*1.59*
D	**B**	**Keystone Custodian B-4/Keystone**	13.3	0.5	12.3	1,251	–16	4.00b	*1.77*
		Kidder Peabody Government Inc/Kidder	—*	7.8	7.8	131	–17	5.00r	*1.77*
		Landmark US Govt Income/Landmark	—*	7.3	8.5	33	–35	none	*1.22p*
D	**D**	**Lexington GNMA Income Fund/Lexington**	10.6	5.7	8.3	105	–18	none	0.98
		Liberty Mutual US Guar Inc/Liberty Inv	—*	8.5	9.4	28	50	4.00	0.75p
D	**A+**	**Lincoln Natl Direct Placement/closed end**	16.8	13.0	8.3	70	3	NA	0.93
D	**A**	**Lord Abbett Bond-Debenture/Lord Abbett**	14.2	5.2	10.9	759	–5	7.25	0.65
D	**A**	**Lord Abbett US Govt Secs/Lord Abbett**	14.4	8.4	11.1	905	37	4.75	*0.89*
		Lutheran Brotherhood High Yield/Lutheran	—*	7.3	11.6	92	387	none	1.26p
A	**C**	**Lutheran Brotherhood Income/Lutheran**	15.4	8.1	9.5	714	5	5.00	1.03p
		MacKay-Shields MainStay–Govt +/NYLife	—*	6.1	10.3	427	26	5.00r	*2.00*
		MacKay-Shields MainStay–Hi Yld/NYLife	—*	7.0	11.4	105	38	5.00r	*2.00*
B	**D**	**Mass Financial Bond Fund/Mass Finl**	13.6	7.1	7.9	311	0	7.25	0.76
B	**B**	**Mass Financial High Inc–Series I/Mass Finl**	14.9	1.1	12.2	948	–22	††	0.75
C	**A+**	**MassMutual Corporate Investors/closed end**	17.9	3.4	11.9	132	–8	NA	1.95
D	**B**	**MassMutual Integrity–Inv Grade[1]/Mass Mut**	12.9	6.8	12.0	110	–10	4.50	*0.98*
D	**A**	**Merrill Lynch Corp–High Inc/ML Funds**	14.2	7.0	12.1	771	–8	4.00	0.65
•B	**•D**	**Merrill Lynch Corp–High Qual/ML Funds**	—*	7.4	9.0	258	–4	4.00	0.61
•C	**•C**	**Merrill Lynch Corp–Intermed/ML Funds**	—*	7.1	8.7	100	–18	2.00	0.62
		Merrill Lynch Federal Securities/ML Funds	—*	7.6	8.8	3,809	–45	6.25	*0.68*
		Merrill Lynch Retire/Income/ML Funds	—*	6.7	8.3	1,933	–11	4.00r	*1.37*
		MetLife-State Street Govt Inc/MetLife	—*	7.0	9.5	1,700	–39	none	*1.03*
		MetLife-State Street Govt Secs/MetLife	—*	5.2	8.4	26	4	4.50	*1.25p*
		MetLife-State Street High Income/MetLife	—*	9.7	11.7	48	70	4.50	*1.25p*
		MFS Government Guar Secs/Mass Finl	—*	6.0	9.3	389	–15	4.75	*1.18*
		MFS Government Markets Inc/closed end	—*	10.6	10.9	879	–2	NA	1.11

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Table of distributors, showing addresses and phone numbers, begins on page 250.

SHE CAN'T HANDLE HEAVY DRINKING LIKE SHE USED TO.

Her mother is an alcoholic.

And, for Kate, the problem is getting worse daily.

She's just one of 7 million children of alcoholics who desperately need help.

Apart from all the suffering they go through growing up, the evidence suggests that they're four times more likely than other kids to become alcoholics themselves.

It's a cycle that could easily go on forever.

At the Children of Alcoholics Foundation, we know ways to break that cycle but we need help.

If you'd like to help us, send just $10, or more if you can afford it.

We'll then send you more information about this complex and alarmingly widespread problem.

It's one face of alcoholism that's remained anonymous long enough.

CHILDREN OF ALCOHOLICS FOUNDATION, INC.

P.O. Box 4185, Grand Central Station
New York, NY 10163

1988 Fund Ratings/Bond & Preferred

Performance in UP	in DOWN —markets—	Fund/distributor	Total return: Annual average 1980 to 1988	Total return: Last 12 expenses months	Yield
		Merrill Lynch corporate/govt bond index	13.8%	7.3%	9.0%
		Forbes bond and preferred stock composite	13.8%	6.4%	9.8%
		MFS Government Secs Hi Yld/Mass Finl	—*	3.0%	10.4%
		MFS Income & Opportunity/closed end	—*	—*	—*
		MFS Intermediate Income/closed end	—*	—*	—
		MFS Lifetime Govt Inc Plus/Mass Finl	—*	2.6	8.9
		MFS Lifetime High Income Trust/Mass Finl	—*	3.3	10.1
		MFS Lifetime Mngd Muni Bond/Mass Finl	—*	7.1	6.1
		MFS Multimarket Income Trust/closed end	—*	13.3	13.1
•D	•C	Midwest Income–Intermed Govt/MGF	—*	5.8	7.4
B	C	Montgomery Street Income Secs/closed end	14.4%	9.3	9.4
F	A	Mutual of Omaha America/Mutual of Omaha	10.7	7.3	8.3
A+	C	Mutual of Omaha Interest Shares/closed end	16.1	12.0	10.3
C	D	National Bond Fund/National Secs	11.2	–1.7	17.4
		National Federal Securities/National Secs	—*	1.8	10.4
•C	D	Nationwide Bond Fund/Nationwide	—*	5.9	10.9
		Neuberger & Berman Ltd Mat/Neuberger	—*	7.3	7.1
		Neuberger & Berman MM Plus/Neuberger	—*	7.0	6.8
		New America High Income/closed end	—*	—*	—
D	C	New England Bond Income/New England	12.5	7.4	8.4
		New England Government Secs/New England	—*	7.0	7.4
C	C	Nicholas Income Fund/Nicholas	13.8	7.3	9.7
A	C	Northeast Investors Trust/Northeast Inv	15.4	5.0	15.9
		Oppenheimer Asset Allocation/Oppenheimer	—*	1.2	4.1
		Oppenheimer GNMA Fund/Oppenheimer	—*	8.7	8.8
D	B	Oppenheimer High Yield Fund/Oppenheimer	13.3	6.7	13.3
		Oppenheimer Multi Sector Inc/closed end	—*	—*	—
		Oppenheimer US Government/Oppenheimer	—*	7.9	8.8
B	C	Pacific American Income Shares/closed end	15.1	8.0	12.1
		PaineWebber Fixed Inc–GNMA/PaineWebber	—*	6.6	9.0
		PaineWebber Fixed Inc–Hi Yld/PaineWebber	—*	1.8	13.5
		PaineWebber Fixed Inc–Inv Gr/PaineWebber	—*	5.5	9.0
		PaineWebber Master Income/PaineWebber	—*	5.0	7.2
•C	•B	Phoenix High Yield Fund/Phoenix	—*	5.8	11.6
		Pilgrim GNMA Fund/Pilgrim	—*	7.8	9.7
C	B	Pilgrim High Yield Trust/Pilgrim	13.7	4.6	12.3
		Pilgrim Preferred Fund/Pilgrim	—*	–1.9	14.0
D	B	Pioneer Bond Fund/Pioneer	12.8	7.2	8.9
		T Rowe Price GNMA Fund/Price	—*	6.3	10.1
		T Rowe Price High Yield Fund/Price	—*	8.8	12.1

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Table of distributors, showing addresses and phone numbers, begins on page 250.

Assets		Maximum sales charge	Annual expenses per $100
6/30/88 (millions)	% change '88 vs '87		
			$1.49
$1,301	16%	4.75%	*$1.37*
94	—	NA	NA
1,839	—	NA	NA
2,788	190	6.00r	*2.03*
120	62	6.00r	*2.19*
218	49	6.00r	*2.10*
1,098	0	NA	1.12
55	–8	2.00	*1.03*
152	–1	NA	0.80
54	–3	none	0.98
93	3	NA	0.83
894	9	7.25	0.89
837	–32	6.75	0.86
34	–1	7.50	0.64
125	16	none	0.50p
110	33	none	0.50p
392	—	NA	1.05
64	10	6.50	*1.21*
192	–5	6.50	*1.26*
75	5	none	0.86
381	5	none	0.75
41	28	4.75	*1.60*
62	7	4.75	*1.11p*
858	13	6.75	0.88
312	—	NA	0.97
204	–6	6.75	*1.10*
89	–4	NA	0.91
1,520	–47	4.25	0.64
622	–25	4.25	0.64
403	–41	4.25	0.68
307	–32	5.00r	*1.91*
155	0	4.75	0.76
185	–36	4.75	*0.98*
46	–13	4.75	*1.38p*
153	–23	2.25	*1.12*
53	5	4.50	0.89
377	7	none	0.99
963	7	none	0.99p

NA: Not applicable or not available. b: Includes back-end load that reverts to fund. r: Includes back-end load that reverts to distributor. *Fund not in operation for full period. ††Closed to new investors. p: Net of partial absorption of expenses by fund sponsor.

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1988 Fund Ratings/Bond & Preferred

Performance in UP	in DOWN —markets—	Fund/distributor	Total return: Annual average 1980 to 1988	Last 12 months	Yield	Assets: 6/30/88 (millions)	% change '88 vs '87	Maximum sales charge	Annual expenses per $100
		Merrill Lynch corporate/govt bond index	13.8%	7.3%	9.0%				
		Forbes bond and preferred stock composite	13.8%	6.4%	9.8%				**$1.04**
F	A	**T Rowe Price New Income Fund/Price**	10.9%	8.3%	9.3%	$824	0%	none	$0.80
		T Rowe Price Short-Term Bond/Price	—*	7.1	8.1	289	31	none	0.92
		Principal Preservation–Govt Plus/Ziegler	—*	5.9	8.3	32	–5	4.50%	1.20p
		Princor Government Securities Inc/Princor	—*	8.5	8.6	60	–9	5.00	0.82
		Pru-Bache GNMA Fund/Pru-Bache	—*	6.0	7.6	253	–12	5.00r	*1.65*
		Pru-Bache Government Plus/Pru-Bache	—*	6.1	7.0	4,072	5	5.00r	*1.60*
		Pru-Bache Government Plus II/Pru-Bache	—*	4.5	7.4	182	–21	5.00r	*1.59*
		Pru-Bache Govt Secs–Intermed/Pru-Bache	—*	6.3	8.3	529	–42	none	*0.86*
C	B	**Pru-Bache High Yield Fund/Pru-Bache**	14.1	5.6	10.7	2,420	9	5.00r	*1.33*
		Prudential Intermediate Income/closed end	—*	—*	—*	440	—	NA	NA
		Prudential Strategic Income/closed end	—*	—*	—*	626	—	NA	NA
		Putnam GNMA Plus Trust/Putnam	—*	5.8	10.3	1,517	–33	4.75	NA
		Putnam High Inc Convert & Bond/closed end	—*	—*	—*	108	—	NA	NA
		Putnam High Income Govt/Putnam	—*	4.8	9.3	10,200	–9	6.75	*0.73*
B	B	**Putnam High Yield Trust/Putnam**	15.7	8.0	12.6	2,356	1	†	0.61
		Putnam High Yield Trust II/Putnam	—*	10.6	11.6	380	27	6.75	*1.12*
B	C	**Putnam Income Fund/Putnam**	14.7	9.3	10.8	346	17	6.75	0.78
		Putnam Intermediate Govt Inc/closed end	—*	—*	—*	558	—	NA	NA
		Putnam Master Income Trust/closed end	—*	—*	—*	514	—	NA	NA
		Putnam Master Intermediate Inc/closed end	—*	—*	—*	375	—	NA	NA
		Putnam Premier Income Trust/closed end	—*	—*	—*	1,275	—	NA	NA
		Putnam US Govt Guaranteed Secs/Putnam	—*	8.3	9.9	1,360	9	4.75	0.58
F	A	**Revere Fund/closed end**	9.9	1.0	10.4	34	–9	NA	1.32
		RNC Convertible Securities/Midvale	—*	–6.6	4.9	36	10	4.75	*1.70p*
		RPF of America–Bond Fund/Venture	—*	5.6	9.5	72	0	5.00r	*2.31*
		Safeco US Government Securities/Safeco	—*	5.7	9.3	28	29	none	1.03
		Scudder GNMA Fund[1]/Scudder	—*	7.2	9.1	253	–4	none	1.04
C	D	**Scudder Income Fund/Scudder**	13.2	6.2	6.5	241	–4	none	0.94
		Security Income–Corporate Bond/Security	—*	4.9	10.8	51	12	4.75	*1.00*
		Seligman High Inc–Hi Yld Bond/Seligman	—*	7.9	11.2	64	–19	4.75	*1.16*
		Seligman High Inc–Secured Mort/Seligman	—*	9.0	10.1	55	17	4.75	*1.07p*
		Seligman High Inc–US Govt Guar/Seligman	—*	8.2	8.8	117	–21	4.75	*1.13p*
•D	B	**Sentinel Bond Fund/Equity Svcs**	—*	6.2	9.2	27	8	8.50	0.66
		Sentinel Government Securities/Equity Svcs	—*	7.2	8.5	28	27	8.50	0.67
•A	•A	**Shearson Lehman High Yield/Shearson**	—*	6.7	12.4	521	–7	5.00	0.78
		Shearson Lehman Managed Govts/Shearson	—*	5.7	9.3	918	–35	5.00	0.78p
		Shearson Lehman–High Inc Bond/Shearson	—*	8.7	11.2	409	98	5.00r	*1.74p*
		Shearson Lehman–Intermed Govt/Shearson	—*	5.5	6.0	47	14	5.00r	*1.80*

A taxable bond fund is included if it has at least $25 million in net assets and, if open-end, is at least 12 months old. It will be graded only if in operation since 9/30/81. Long-term average total return is for 3/31/80 to 6/30/88. Yield is last 12 months' income dividends divided by 6/30/88 net asset value; it may differ from "yield" as defined by the SEC. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* • Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. †Closed to all investors. p: Net of partial absorption of expenses by fund sponsor. b: Includes back-end load that reverts to fund. r: Includes back-end load that reverts to distributor. NA: Not applicable or not available. [1] Formerly Scudder Government Mortgage Securities.

Table of distributors, showing addresses and phone numbers, begins on page 250.

1988 Fund Ratings/Bond & Preferred

Performance in UP —markets—	in DOWN	Fund/distributor	Total return: Annual average 1980 to 1988	Total return: Last 12 months	Yield	Assets: 6/30/88 (millions)	Assets: % change '88 vs '87	Maximum sales charge	Annual expenses per $100
		Merrill Lynch corporate/govt bond index	13.8%	7.3%	9.0%				$1.04
		FORBES bond and preferred stock composite	13.8%	6.4%	9.8%				
		Shearson Lehman–L-T Govt/Shearson	—*	4.3%	7.6%	$1,119	–35%	5.00%r	*$1.60*
		Shearson Lehman–Mortgage Secs/Shearson	—*	4.5	8.5	78	37	5.00r	*1.69*
A	F	**Sigma Income Shares[1]/Sigma**	13.4%	4.9	7.3	35	2	4.50	*1.00*
		Smith Barney–Income Return/Smith Barney	—*	7.1	6.8	64	–3	1.25	0.35p
		Smith Barney–US Government/Smith Barney	—*	9.4	9.3	349	–25	4.00	0.36p
D	B	**State Mutual Securities Trust/closed end**	13.2	8.1	11.1	90	–2	NA	0.82
		SteinRoe Income–Govts Plus/Stein Roe	—*	5.8	7.7	27	19	none	1.00p
		SteinRoe Income–High Yld Bonds/Stein Roe	—*	9.2	10.0	97	5	none	0.89
C	D	**SteinRoe Income–Managed Bonds/Stein Roe**	12.3	6.7	8.0	162	–14	none	0.71
		Strong Income Fund/Strong	—*	8.4	9.7	167	–7	none	1.19
		Thomson McKinnon Inv–Inc/Thomson	—*	7.1	10.2	514	21	5.00r	*1.60*
		Thomson McKinnon Inv–US/Thomson	—*	5.3	9.6	764	–13	5.00r	*1.60*
A+	C	**Transamerica Income Shares/closed end**	16.2	9.7	11.1	117	–2	NA	0.67
		20th Century US Governments/20th Century	—*	6.8	8.5	422	26	none	1.00
		UMB Bond Fund/Jones & Babson	—*	11.3	11.5	30	–5	none	0.87
A	D	**United Bond Fund/Waddell & Reed**	15.1	9.0	9.0	332	3	8.50	0.64
		United Government Securities/Waddell & Reed	—*	4.7	7.9	138	–22	4.25	0.77
B	C	**United High Income Fund/Waddell & Reed**	14.4	2.3	13.2	1,251	–5	††	0.76
		United High Income Fund II/Waddell & Reed	—*	6.9	11.6	239	62	8.50	0.88
		USAA Mutual–Income Fund/USAA	—*	8.6	9.5	272	1	none	0.65p
A	D	**USLife Income Fund/closed end**	13.8	2.1	4.8	51	–3	NA	1.35
		Value Line Aggressive Income/Value Line	—*	–4.5	12.9	52	–21	none	1.22
•B	•C	**Value Line US Government Secs/Value Line**	—*	8.8	9.1	263	20	none	0.70
		Van Eck World Income Fund/Van Eck	—*	15.4	7.8	34	NM	7.50	NA
		Van Kampen Merritt High Yield/Van Kampen	—*	6.4	11.9	246	105	4.90	*1.23*
		Van Kampen Merritt US Govt/Van Kampen	—*	7.4	9.1	4,623	–13	4.90	*0.65*
		Vanguard Adj Rate Preferred Stk[2]/Vanguard	—*	–4.8	7.6	76	–40	none	0.43
		Vanguard Bond Market Fund/Vanguard	—*	7.0	8.9	54	104	none	0.14
•B	•B	**Vanguard Fixed Income–GNMA/Vanguard**	—*	9.0	9.4	1,885	–18	none	0.35
C	B	**Vanguard Fixed Income–High Yld/Vanguard**	14.5	7.6	11.8	1,100	–9	none	0.41
C	C	**Vanguard Fixed Income–Inv Gr/Vanguard**	13.4	6.6	9.6	646	6	none	0.37
		Vanguard Fixed Income–S-T/Vanguard	—*	7.3	7.6	514	20	none	0.33
		Vanguard Fixed Inc–US Treas/Vanguard	—*	6.1	8.4	100	134	none	0.32
A	D	**Vanguard Preferred Stock Fund[3]/Vanguard**	14.1	–1.5	11.6	84	–41	none	0.64
•C	A	**Venture Income (+) Plus/Venture**	—*	–0.4	14.0	64	–11	8.50	1.19
A	C	**Vestaur Securities/closed end**	14.8	8.9	9.0	89	0	NA	1.00
		WPG Government Securities/Weiss, Peck	—*	7.7	7.7	79	11	none	0.87
		Zenith Income Fund/closed end	—*	—*	—*	168	—	NA	NA

A taxable bond fund is included if it has at least $25 million in net assets and, if open-end, is at least 12 months old. It will be graded only if in operation since 9/30/81. Long-term average total return is for 3/31/80 to 6/30/88. Yield is last 12 months' income dividends divided by 6/30/88 net asset value; it may differ from "yield" as defined by the SEC. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* ● Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. ††Closed to new investors. p: Net of partial absorption of expenses by fund sponsor. b: Includes back-end load that reverts to fund. r: Includes back-end load that reverts to distributor. NA: Not applicable or not available. [1]Formerly ISI Income Fund. [2]Formerly Vanguard Qualified Dividend III. [3]Formerly Vanguard Qualified Dividend II.

Table of distributors, showing addresses and phone numbers, begins on page 250.

Municipal bond funds

We rate municipal bond funds over one full cycle (one up period and one down period) in the municipal bond market, May 31, 1984 to June 30, 1988. Longer-term funds were graded separately from the rest. In the long-term group we adjusted one-state funds (such as Shearson New York Municipals) upward to compensate for their handicap of not being able to buy nationally. The remaining funds, with medium- and short-term portfolios, were graded separately. For them, performance over the mostly bullish May 1984 to June 1988 period was very sensitive to the maturity of their portfolios. Here, the grades depend on how well a fund did in relation to its portfolio's average maturity.

Four-year performance	Fund/distributor	Date started	Latest 12 months total return	Latest 12 months return from income dividends	Total assets 6/30/88 (millions)	Total assets % change '88 vs '87	Maximum sales charge	Annual expenses per $100
	Shearson Lehman municipal bond index		7.4%	7.8%				
	FORBES municipal bond composite		6.9%	7.0%				$0.82
	AARP Insured T-F Inc–Genl Bond/Scudder	11/84	7.3%	6.9%	$288	24%	none	$1.00
	AARP Insured T-F Inc–S-T Bond/Scudder	11/84	4.7	5.3	79	8	none	1.31p
	Alliance Tax-Free Inc–Hi Bracket/Alliance	12/86	8.1	7.0	104	NM	none	*1.26*
	Alliance Tax-Free Income–Hi Inc/Alliance	12/86	11.5	7.7	39	235	4.00%	*0.55p*
	Alliance Tax-Free Inc–Ins Calif/Alliance	11/85	5.6	7.3	42	63	4.00	*0.35p*
	Allstate Municipal Income Trust/closed end	9/87	—*	—*	310	—	NA	0.75p
	Allstate Municipal Inc Trust II/closed end	5/88	—*	—*	270	—	NA	0.88p
F	American Capital Muni Bond/American Cap	11/76	5.8	8.2	185	–1	4.75	0.70
	American Capital T-E–Hi Yld/American Cap	1/86	5.0	8.9	183	6	4.75	*0.78p*
	American Capital Tax-Ex–Ins/American Cap	1/86	2.1	6.8	34	1	4.75	*0.72p*
	American Funds Tax-Ex I–Md/American Funds	8/86	8.0	6.3	26	18	4.75	*0.32p*
	American Funds T-E II–Calif/American Funds	10/86	6.0	5.9	40	43	4.75	NA
	Benham Calif Tax-Free–Insured/Benham	1/87	5.1	7.4	28	181	none	NA
D	**Benham Calif Tax-Free–Intermed/Benham**	11/83	5.1	6.2	159	–4	none	0.67
D	**Benham Calif Tax-Free–L-T/Benham**	11/83	5.7	7.1	159	–15	none	0.65
	Benham National Tax-Free–L-T/Benham	8/84	4.2	7.3	28	16	none	0.50p
	Calif Investment-Tax-Free Inc/California Inv	12/85	6.1	7.3	39	1	none	0.58p
B	California Tax-Exempt Bonds/National Secs	5/83	6.5	7.3	91	1	4.50	0.77
B	Calvert Tax-Free Reserves–Limited/Calvert	4/81	5.5	5.6	157	–23	none	NA
F	Calvert Tax-Free Reserves–L-T/Calvert	8/83	4.9	7.3	44	–36	4.50	*0.83*
B	Cigna Municipal Bond Fund/Cigna	3/77	8.2	6.9	237	–10	5.00	*0.80*
	Colonial California Tax-Exempt/Colonial	6/86	6.0	7.3	123	8	4.75	*0.52p*
	Colonial Municipal Income Trust/closed end	3/87	5.8	8.3	233	–2	NA	0.80
	Colonial Ohio Tax-Exempt Trust/Colonial	9/86	8.6	7.2	28	21	4.75	*0.41p*
	Colonial Tax-Exempt–High Yield/Colonial	11/78	6.9	8.0	1,352	–1	4.75	*1.08*
	Colonial Tax-Exempt–Insured/Colonial	12/85	6.5	6.9	102	–14	4.75	*1.14*
	Columbia Municipal Bond Fund/Columbia	7/84	10.1	6.8	128	3	none	0.66

A municipal bond fund is included if it has at least $25 million in net assets and, if open-end, is at least 12 months old. It will be graded only if in operation since 5/31/84. Yield is last 12 months' income dividends divided by 6/30/88 net asset value; it may differ from "yield" as defined by the SEC. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* *Fund not in operation for full period. p: Net of partial absorption of expenses by fund sponsor. b: Includes back-end load that reverts to fund. r: Includes back-end load that reverts to distributor. NA: Not applicable or not available. NM: Not meaningful.

Table of distributors, showing addresses and phone numbers, begins on page 250.

Four-year performance	Fund/distributor	Date started	Latest 12 months		Total assets		Maximum sales charge	Annual expenses per $100
			total return	return from income dividends	6/30/88 (millions)	% change '88 vs '87		
	Shearson Lehman municipal bond index **FORBES municipal bond composite**		7.4% 6.9%	7.8% 7.0%				$0.82
A	**Composite Tax-Exempt Bond/Murphey Favre**	1/77	6.3%	7.5%	$90	5%	4.00%	*$0.85*
	Counsellors NY Muni Bond/Counsellors	4/87	4.8	5.6	28	393	none	0.52p
	DBL Tax-Free Fund–Limited Term/Drexel	4/85	6.8	6.7	76	–11	1.50	0.71
	DBL Tax-Free Fund–Long-Term/Drexel	7/86	3.9	7.2	29	–49	4.25	*1.25*
	Dean Witter Calif Tax-Free Inc/Dean Witter	7/84	6.2	6.3	397	4	5.00r	*1.35*
	Dean Witter NY Tax-Free Inc/Dean Witter	4/85	5.7	6.4	121	1	5.00r	*1.40*
B	**Dean Witter Tax-Exempt Secs/Dean Witter**	3/80	7.8	7.6	903	–9	4.00	0.52
A+	**Delaware Group Tax-Free–USA[1]/Delaware**	1/84	9.5	7.6	390	8	4.75	0.78
	Delaware Group T-F–USA Ins/Delaware	3/85	7.7	7.1	46	4	4.75	0.87p
D	**DMC Tax-Free Income Trust–PA/Delaware**	3/77	7.3	7.4	486	13	4.75	0.78
	Double Exempt Cap Conservation/Voyageur	10/85	5.6	5.3	28	9	2.25	0.84
C	**Double Exempt Flex Fund/Voyageur**	2/84	7.5	7.1	143	15	4.00	0.78
D	**Dreyfus California Tax-Ex Bond/Dreyfus**	7/83	5.1	7.4	1,207	–2	none	0.70
	Dreyfus General Tax-Exempt Bond/Dreyfus	3/84	6.0	7.3	34	–20	none	*0.80*
	Dreyfus Insured Tax-Exempt Bond/Dreyfus	6/85	5.7	7.1	178	–8	none	*0.90*
D	**Dreyfus Intermediate Tax-Ex Bond/Dreyfus**	8/83	5.6	7.2	1,035	–9	none	0.72
	Dreyfus Massachusetts T-E Bond/Dreyfus	6/85	5.5	7.2	86	1	none	0.79
	Dreyfus New York Ins T-E Bond/Dreyfus	2/87	5.3	7.1	32	84	none	NA
D	**Dreyfus NY Tax-Exempt Bond/Dreyfus**	7/83	5.0	7.4	1,493	–6	none	0.71
	Dreyfus NY T-E Intermed Bond/Dreyfus	6/87	4.8	6.5	29	NM	none	NA
	Dreyfus Short-Intermediate T-E/Dreyfus	4/87	5.3	5.8	63	575	none	NA
	Dreyfus Strategic Muni/closed end	9/87	—*	—*	445	—	NA	NA
D	**Dreyfus Tax-Exempt Bond Fund/Dreyfus**	10/76	6.6	7.6	3,321	[illegible]	none	0.71
	Eaton Vance California Munis/Eaton Vance	12/85	4.3	7.1	200	1	6.00b,r	*1.96*
	Eaton Vance High Yield Munis/Eaton Vance	12/85	6.1	8.0	844	–6	6.00b,r	*1.78*
A	**Eaton Vance Muni Bond Fund/Eaton Vance**	3/78	7.5	7.5	57	3	4.75	0.82
	Empire Builder Tax-Free Bond Fund/ITB	6/84	6.9	6.4	59	20	4.75	1.34
	Federated Intermediate Municipal/Federated	12/85	4.6	6.4	92	–23	none	0.50p
D	**Federated Tax-Free Income Fund/Federated**	10/76	7.6	7.2	407	10	4.50	0.95
	Fidelity Calif Tax-Free–High ~~Yield/Fidelity~~	~~7/84~~	6.6	7.1	416	–8	none	0.76
	Fidelity Calif Tax-Free–Insured/Fidelity	9/86	7.8	6.6	47	28	none	0.65p
B	**Fidelity Mass Tax-Free–High Yield/Fidelity**	11/83	6.0	7.6	572	–8	none	0.62
	Fidelity NY Tax-Free–High Yield/Fidelity	7/84	6.9	7.0	324	–9	none	0.67p
	Fidelity NY Tax-Free–Insured/Fidelity	10/85	6.9	6.7	156	–7	none	0.67p
	Fidelity Pennsylvania T-F–Hi Yld/Fidelity	8/86	6.9	7.2	48	23	none	0.63p
	Fidelity State Tax-Free–Michigan/Fidelity	11/85	7.6	7.2	147	5	none	0.72p

A municipal bond fund is included if it has at least $25 million in net assets and, if open-end, is at least 12 months old. It will be graded only if in operation since 5/31/84. Yield is last 12 months' income dividends divided by 6/30/88 net asset value; it may differ from "yield" as defined by the SEC. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* *Fund not in operation for full period. p: Net of partial absorption of expenses by fund sponsor. b: Includes back-end load that reverts to fund. r: Includes back-end load that reverts to distributor. NA: Not applicable or not available. [1]Formerly DMC Tax-Free Income–USA Insured.

Table of distributors, showing addresses and phone numbers, begins on page 250.

1988 Fund Ratings/Municipal Bond

Four-year performance	Fund/distributor	Date started	Investment results: Latest 12 months: total return	Investment results: Latest 12 months: return from income dividends	Total assets: 6/30/88 (millions)	Total assets: % change '88 vs '87	Maximum sales charge	Annual expenses per $100
	Shearson Lehman municipal bond index		7.4%	7.8%				
	Forbes municipal bond composite		6.9%	7.0%				$0.82
	Fidelity State Tax-Free–Minnesota/Fidelity	11/85	7.4%	7.0%	$88	–10%	none	$0.79p
	Fidelity State Tax-Free–Ohio/Fidelity	11/85	7.3	7.1	135	6	none	0.79p
	Fidelity Tax-Free–Aggressive/Fidelity	9/85	7.6	8.1	403	–1	1.00%r	0.74p
D	**Fidelity Tax-Free–High Yield/Fidelity**	12/77	5.3	7.6	1,605	–15	none	0.62
	Fidelity Tax-Free–Insured/Fidelity	11/85	7.4	6.8	149	–3	none	0.62p
C	**Fidelity Tax-Free–Ltd Term Munis/Fidelity**	4/77	6.4	6.4	460	–13	none	0.74
B	**Fidelity Tax-Free–Municipal Bond/Fidelity**	8/76	7.7	7.1	951	–6	none	0.57
	Fidelity Tax-Free–Short-Term/Fidelity	12/86	3.3	4.9	60	1	none	0.60p
	Fidelity Texas Tax-Free/Fidelity	1/86	7.5	7.2	27	–13	none	1.04p
A	**Financial Tax-Free Income Shs/Financial Prog**	8/81	7.3	7.2	109	–7	none	0.77
	First Investors New York Tax-Free/First Inv	6/84	6.6	6.8	113	17	7.25	*1.10*
C	**First Investors Tax-Exempt Fund/First Inv**	8/77	8.1	7.4	905	14	7.25	*1.13*
	Flagship Tax-Ex–Arizona Double/Flagship	10/86	6.5	6.8	33	–1	4.20	*0.86*
	Flagship Tax-Ex–Georgia Double/Flagship	3/86	6.6	7.0	30	–15	4.20	*0.91*
	Flagship Tax-Ex–Kentucky Triple/Flagship	5/87	8.6	7.2	45	256	4.20	*0.51p*
	Flagship Tax-Exempt–Mich Triple/Flagship	6/85	7.7	7.0	76	–10	4.20	*0.94p*
	Flagship Tax-Exempt–NC Triple/Flagship	3/86	6.9	6.8	69	0	4.20	*0.83p*
	Flagship Tax-Exempt–Ohio Double/Flagship	6/85	8.3	6.9	159	–1	4.20	*0.88*
	Flagship Tax-Exempt–Penn Triple/Flagship	10/86	8.0	7.0	34	–1	4.20	*0.72*
	Flagship Tax-Exempt–Va Double/Flagship	3/86	7.6	6.7	31	–9	4.20	*0.88*
	Fortress High Yield Tax-Free Fund/Federated	4/87	4.5	8.1	25	36	1.75r	*1.01p*
	Franklin Calif Insured T-F Inc/Franklin	9/85	6.3	7.1	208	29	4.00	0.64
D	**Franklin Calif Tax-Free Income/Franklin**	2/77	6.5	7.7	7,806	–2	4.00	0.48
D	**Franklin Federal Tax-Free Income/Franklin**	9/83	9.1	8.3	2,989	19	4.00	0.52
	Franklin High Yield Tax-Free Inc/Franklin	3/86	11.6	9.3	231	NM	4.00	0.65
	Franklin Insured Tax-Free Income/Franklin	4/85	8.0	7.9	371	68	4.00	0.62
	Franklin Mass Insured T-F Inc/Franklin	4/85	8.4	7.3	104	24	4.00	0.80p
	Franklin Mich Insured T-F Inc/Franklin	4/85	8.9	7.4	319	25	4.00	0.72
	Franklin Minn Insured T-F Inc/Franklin	4/85	8.8	7.2	158	19	4.00	0.76p
B	**Franklin New York Tax-Free Inc/Franklin**	9/82	7.7	7.9	2,611	0	4.00	0.51
	Franklin Ohio Insured T-F Inc/Franklin	4/85	8.9	6.8	191	0	4.00	0.75
	Franklin Pennsylvania T-F Inc/Franklin	12/86	8.3	7.7	31	528	4.00	0.24p
	Franklin PR Tax-Free Income/Franklin	4/85	7.3	8.2	92	102	4.00	0.75
	General NY T-E Intermed Bond[1]/Dreyfus	11/84	5.5	5.5	48	–27	none	*1.00p*
D	**GIT Tax-Free Trust–High Yield/GIT**	12/82	7.1	7.2	40	–17	none	*1.14*
A	**John Hancock Tax-Exempt Inc/Hancock**	1/77	7.3	6.7	357	–3	4.75	*0.78*

A municipal bond fund is included if it has at least $25 million in net assets and, if open-end, is at least 12 months old. It will be graded only if in operation since 5/31/84. Yield is last 12 months' income dividends divided by 6/30/88 net asset value; it may differ from "yield" as defined by the SEC. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* *Fund not in operation for full period. p: Net of partial absorption of expenses by fund sponsor. b: Includes back-end load that reverts to fund. r: Includes back-end load that reverts to distributor. NA: Not applicable or not available. NM: Not meaningful. [1] Formerly Park Ave NY Tax-Exempt Intermediate Bond.

Table of distributors, showing addresses and phone numbers, begins on page 250.

1988 Fund Ratings/Municipal Bond

Four-year performance	Fund/distributor	Date started	Latest 12 months total return	Latest 12 months return from income dividends	Total assets 6/30/88 (millions)	Total assets % change '88 vs '87	Maximum sales charge	Annual expenses per $100
	Shearson Lehman municipal bond index		7.4%	7.8%				
	Forbes municipal bond composite		6.9%	7.0%				$0.82
	Hawaiian Tax-Free Trust/Aquila	2/85	6.7%	7.1%	$226	14%	4.00%	$0.77
A	**Hutton California Municipal Fund/Shearson**	6/83	6.7	7.3	174	–13	4.00	0.78
A+	**Hutton National Municipal Fund/Shearson**	6/83	7.1	7.7	988	–18	4.00	0.66
B	**Hutton New York Municipal/Shearson**	6/83	5.2	7.4	227	–15	4.00	0.83
	IDS California Tax-Exempt Fund/IDS	8/86	8.0	6.8	47	40	5.00	0.78
C	**IDS High Yield Tax-Exempt Fund/IDS**	5/79	7.7	7.8	3,913	2	5.00	0.60
	IDS Insured Tax-Exempt Fund/IDS	8/86	7.9	6.7	42	36	5.00	0.88p
	IDS Minnesota Tax-Exempt Fund/IDS	8/86	7.8	7.0	59	23	5.00	0.78p
	IDS New York Tax-Exempt Fund/IDS	8/86	8.0	6.8	26	35	5.00	0.88p
C	**IDS Tax-Exempt Bond Fund/IDS**	12/76	7.6	7.3	901	3	5.00	0.61
	Integrated Tax-Free–Stripes/Integrated	11/85	8.1	6.8	110	–15	4.75	*1.31*
D	**Inv Trust of Boston–Mass T-F Inc/ITB**	3/84	7.0	6.9	51	–3	4.25	*1.25p*
A	**Kemper California Tax-Free Inc/Kemper**	2/83	6.4	7.1	359	26	4.50	0.63
A	**Kemper Municipal Bond Fund/Kemper**	4/76	6.5	7.7	1,410	16	4.50	0.51
	Keystone America Tax-Free Inc/Keystone	4/87	3.1	7.4	199	NM	4.00r	*1.00*
	Keystone Tax-Exempt Trust/Keystone	10/85	6.9	7.1	504	2	4.00b	*1.65*
B	**Keystone Tax-Free Fund/Keystone**	1/78	6.4	7.8	893	–7	††	*1.70*
	Landmark New York T-F Inc/Landmark	9/86	4.6	6.1	71	–27	none	*1.28p*
	Limited Term Municipal–Natl/Thornburg	8/84	7.3	6.6	165	30	2.75	*1.15p*
	Lord Abbett California T-F Inc/Lord Abbett	9/85	7.7	7.2	79	18	4.75	*0.40p*
	Lord Abbett Tax-Free–National/Lord Abbett	4/84	9.1	7.3	269	2	4.75	0.62
	Lord Abbett Tax-Free–New York/Lord Abbett	4/84	8.0	7.3	126	8	4.75	0.66
C	**Lutheran Brotherhood Muni Bond/Lutheran**	1/76	8.4	7.2	286	7	5.00	0.91
	MacKay-Shields MainStay–T-F/NYLife	5/86	5.7	6.8	81	28	5.00r	*1.50p*
	Merrill Lynch California Tax-Ex/ML Funds	9/85	5.5	6.5	620	–5	4.00r	*1.16*
C	**Merrill Lynch Muni–High Yield/ML Funds**	11/79	7.1	7.8	1,469	–19	4.00	0.55
C	**Merrill Lynch Muni–Insured/ML Funds**	11/77	7.8	7.5	1,984	–11	4.00	0.52
B	**Merrill Lynch Muni–Ltd Mat/ML Funds**	11/79	4.8	5.4	567	–29	1.00	0.40
	Merrill Lynch Municipal Income/ML Funds	11/86	4.2	6.0	166	–22	2.00r	*1.05*
	Merrill Lynch NY Muni Bond/ML Funds	11/85	5.6	6.5	643	–8	4.00r	*1.16*
	MetLife-State Street High Inc T-E/MetLife	8/86	7.5	7.3	36	35	4.50	*1.25p*
	MFS Managed California Tax-Ex/Mass Finl	6/85	6.7	6.3	57	–3	4.75	*1.20*
D	**MFS Managed Hi Yld Muni Bond/Mass Finl**	2/84	4.6	8.8	336	–15	††	1.03
	MFS Managed M-S Tax-Ex–Md/Mass Finl	11/84	8.1	6.4	81	–1	4.75	*1.10*
	MFS Managed M-S Tax-Ex–Mass/Mass Finl	4/85	6.9	6.9	218	–6	4.75	*1.04*
	MFS Managed M-S Tax-Ex–NC/Mass Finl	11/84	6.6	6.7	112	3	4.75	*1.08*

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Table of distributors, showing addresses and phone numbers, begins on page 250.

Four-year performance	Fund/distributor	Date started	Latest 12 months total return	Latest 12 months return from income dividends	Total assets 6/30/88 (millions)	Total assets % change '88 vs '87	Maximum sales charge	Annual expenses per $100
	Shearson Lehman municipal bond index		7.4%	7.8%				
	FORBES municipal bond composite		6.9%	7.0%				$0.82
	MFS Managed M-S Tax-Ex–SC/Mass Finl	11/84	7.3%	7.0%	$38	21%	4.75%	$0.81
	MFS Managed M-S Tax-Ex–Va/Mass Finl	11/84	6.7	6.8	192	1	4.75	*1.04*
	MFS Managed M-S Tax-Ex–W Va/Mass Finl	10/84	7.0	7.3	38	6	4.75	0.79
B	**MFS Managed Muni Bond Trust/Mass Finl**	12/76	7.7	7.1	951	–1	4.75	0.64
	MFS Municipal Income Trust/closed end	11/86	7.8	8.1	320	0	NA	1.25
	Muni Bond Funds–California/Smith Barney	4/87	5.2	8.0	28	400	4.00	0.38p
	Muni Bond Funds–National/Smith Barney	9/86	8.0	8.0	92	23	4.00	0.35p
	MuniInsured Fund/closed end	10/87	—*	—*	73	—	NA	0.74
A	**Mutual of Omaha T-F Inc/Mutual of Omaha**	1/77	7.6	7.4	311	6	8.00	0.63
A	**National Securities T-E Bonds/National Secs**	11/76	7.9	7.5	83	–1	4.50	0.77
	Nationwide Tax-Free Fund/Nationwide	3/86	5.4	6.8	47	35	5.00r	*0.86p*
C	**New England Tax-Exempt Inc/New England**	5/77	7.3	6.4	128	1	4.50	*0.99*
	New York Muni Fund/Fundamental	4/81	3.4	7.2	226	–12	none	*2.04*
	Nuveen California Municipal Inc/closed end	4/88	—*	—*	56	—	NA	0.72
	Nuveen California Muni Value/closed end	10/87	—*	—*	175	—	NA	NA
	Nuveen California T-F–Spec Bond/Nuveen	7/86	6.9	7.0	30	55	4.00	0.70p
	Nuveen Insured T-F Bond–Natl/Nuveen	12/86	9.7	6.9	48	82	4.00	0.60p
B	**Nuveen Municipal Bond Fund/Nuveen**	11/76	8.8	7.1	908	19	4.00	0.64
	Nuveen Municipal Income Fund/closed end	4/88	—*	—*	81	—	NA	0.73
	Nuveen Municipal Value Fund/closed end	6/87	9.1	6.0	1,518	8	NA	0.94
	Nuveen New York Municipal Inc/closed end	4/88	—*	—*	27	—	NA	NA
	Nuveen New York Muni Value/closed end	10/87	—*	—*	110	—	NA	0.93
	Oppenheimer New York T-E/Oppenheimer	8/84	6.6	7.5	106	48	4.75	*0.87p*
B	**Oppenheimer Tax-Free Bond/Oppenheimer**	10/76	7.5	6.9	148	9	4.75	*0.78*
D	**Pacific Horizon–Calif T-E Bond/Concord Finl**	3/84	6.3	6.8	86	–8	4.50	*1.10*
	PaineWebber Calif Tax-Ex Inc/PaineWebber	9/85	7.4	7.0	157	–3	4.25	0.72
	PaineWebber Hi Yld Muni Bond/PaineWebber	6/87	8.8	7.2	50	113	4.25	0.12p
	PaineWebber Tax-Exempt Inc/PaineWebber	12/84	7.6	7.1	307	–20	4.25	0.75
	Pierpont Tax-Exempt Bond/Morgan Stanley	10/84	1.8[1]	6.4[1]	126[2]	–37	none	0.80p
	T Rowe Price Calif T-F Inc-Bond/Price	9/86	5.1	6.2	36	13	none	1.00p
	T Rowe Price Maryland T-F Bond/Price	3/87	7.1	6.0	81	191	none	0.96
	T Rowe Price New York T-F Bond/Price	8/86	7.2	6.4	29	26	none	1.00p
	T Rowe Price Tax-Free High Yield/Price	3/85	7.3	7.5	285	5	none	0.96
D	**T Rowe Price Tax-Free Income Fund/Price**	10/76	4.8	6.8	1,062	–13	none	0.65
C	**T Rowe Price T-F Short Intermed/Price**	12/83	4.9	5.3	297	0	none	0.74
	Principal Preservation–Tax-Ex Plus/Ziegler	7/84	1.3	7.2	98	–27	4.50	*1.20*

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Table of distributors, showing addresses and phone numbers, begins on page 250.

1988 Fund Ratings/Municipal Bond

Four-year performance	Fund/distributor	Date started	Latest 12 months		Total assets		Maximum sales charge	Annual expenses per $100
			total return	return from income dividends	6/30/88 (millions)	% change '88 vs '87		
	Shearson Lehman municipal bond index		7.4%	7.8%				
	Forbes municipal bond composite		6.9%	7.0%				$0.82
	Pru-Bache California Municipal/Pru-Bache	9/84	4.9%	6.6%	$148	4%	5.00%r	*$1.10p*
	Pru-Bache Muni–Arizona/Pru-Bache	9/84	6.2	6.5	52	3	5.00r	*1.23p*
	Pru-Bache Muni–Maryland/Pru-Bache	1/85	7.9	6.7	38	19	5.00r	*1.21p*
	Pru-Bache Muni–Massachusetts/Pru-Bache	9/84	7.2	6.8	44	11	5.00r	*1.17*
	Pru-Bache Muni–Michigan/Pru-Bache	9/84	4.5	6.8	40	–1	5.00r	*1.17p*
	Pru-Bache Muni–New York/Pru-Bache	9/84	5.3	6.6	305	–2	5.00r	*1.10*
	Pru-Bache Muni–North Carolina/Pru-Bache	2/85	4.9	6.6	43	13	5.00r	*1.08p*
	Pru-Bache Muni–Ohio/Pru-Bache	9/84	4.4	6.8	74	–2	5.00r	*1.27*
	Pru-Bache Muni–Pennsylvania/Pru-Bache	4/87	4.5	7.2	49	364	5.00r	*0.46p*
	Pru-Bache National Municipals/Pru-Bache	4/80	5.3	7.1	1,081	–6	5.00r	*1.01*
C	**Putnam California Tax-Ex Inc/Putnam**	6/83	8.2	7.5	1,178	5	4.75	0.52
	Putnam Massachusetts T-E Inc/Putnam	10/86	7.7	6.6	53	33	2.50r	NA
	Putnam Michigan Tax-Ex Inc/Putnam	10/86	7.4	6.6	27	35	2.50r	NA
C	**Putnam New York Tax-Ex Inc/Putnam**	9/83	9.2	7.3	1,004	1	4.75	0.55
	Putnam Ohio Tax-Exempt Inc/Putnam	10/86	8.0	6.8	79	43	2.50r	NA
C	**Putnam Tax-Exempt Income/Putnam**	11/76	8.6	7.3	986	4	4.75	0.51
	Putnam Tax-Free Income–Hi Yld/Putnam	9/85	6.5	7.0	583	2	5.00r	*1.78*
	Putnam Tax-Free Income–Insured/Putnam	9/85	6.6	6.1	268	3	5.00r	*1.61*
	Rochester Fund Municipals/Rochester	5/86	10.9	7.6	25	98	4.00	*1.20p*
	Safeco California Tax-Free Income/Safeco	8/83	7.1	7.0	31	12	none	0.72
A	**Safeco Municipal Bond Fund/Safeco**	11/81	8.0	7.4	198	7	none	0.61
B	**Scudder California Tax-Free Fund/Scudder**	7/83	7.4	6.9	158	1	none	0.88
	Scudder High Yield Tax-Free Fund/Scudder	1/87	7.0	8.0	56	178	none	0.40p
C	**Scudder Managed Muni Bonds/Scudder**	10/76	8.0	7.3	611	–5	none	0.63
D	**Scudder NY Tax-Free Fund/Scudder**	7/83	7.4	7.0	119	–5	none	0.95
D	**Scudder Tax-Free Target–1990/Scudder**	4/83	4.6	5.4	129	–2	none	0.80
D	**Scudder Tax-Free Target–1993/Scudder**	4/83	5.0	5.8	123	–13	none	0.80
	Scudder Tax-Free Target–1996/Scudder	4/85	6.6	6.2	33	25	none	1.06
	Seligman Calif Tax-Ex–Hi Yld/Seligman	11/84	6.7	7.2	54	–14	4.50	0.83
	Seligman Calif Tax-Exempt–Qual/Seligman	11/84	6.8	6.9	59	–6	4.50	0.77
	Seligman Penn Tax-Exempt–Qual/Seligman	7/86	7.5	6.8	31	–3	4.75	*0.58p*
	Seligman Tax-Exempt–Colorado/Seligman	5/86	7.3	6.8	71	–20	4.75	0.77p
	Seligman Tax-Exempt–Louisiana/Seligman	10/85	7.7	7.1	42	–21	4.75	0.73
	Seligman Tax-Exempt–Maryland/Seligman	10/85	8.0	6.6	47	–15	4.75	0.87
C	**Seligman Tax-Exempt–Mass/Seligman**	12/83	8.2	7.0	127	–10	4.75	0.79
	Seligman Tax-Exempt–Michigan/Seligman	7/84	7.6	7.1	105	–9	4.75	0.79

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Table of distributors, showing addresses and phone numbers, begins on page 250.

1988 Fund Ratings/Municipal Bond

Four-year performance	Fund/distributor	Date started	Latest 12 months		Total assets		Maximum sales charge	Annual expenses per $100
			total return	return from income dividends	6/30/88 (millions)	% change '88 vs '87		
	Shearson Lehman municipal bond index		7.4%	7.8%				
	Forbes municipal bond composite		6.9%	7.0%				$0.82
C	**Seligman Tax-Exempt–Minnesota/Seligman**	12/83	7.2%	7.0%	$132	6%	4.75%	$0.89
	Seligman Tax-Exempt–Missouri/Seligman	7/86	7.2	6.8	59	–9	4.75	0.82p
	Seligman Tax-Exempt–National/Seligman	12/83	7.2	7.5	131	–7	4.75	0.74
B	**Seligman Tax-Exempt–New York/Seligman**	12/83	5.7	7.1	73	–9	4.75	0.77
A	**Seligman Tax-Exempt–Ohio/Seligman**	12/83	8.6	7.2	122	–5	4.75	0.78
	Seligman Tax-Exempt–Oregon/Seligman	10/86	7.9	6.7	26	–5	4.75	0.52p
C	**Shearson Lehman Calif Munis/Shearson**	4/84	7.8	7.3	152	–10	5.00	0.64
B	**Shearson Lehman Managed Munis/Shearson**	3/81	8.3	7.7	575	–16	5.00	0.57
A	**Shearson Lehman NY Munis/Shearson**	1/84	7.0	7.4	207	–11	5.00	0.68p
	Shearson Lehman–Tax-Ex Inc/Shearson	9/85	7.9	6.9	448	0	5.00r	*1.57*
	State Bond Tax-Exempt Fund/State Bond	5/84	7.0	7.4	40	18	4.50	0.96
A	**SteinRoe T-E Income–High Yield/Stein Roe**	3/84	8.6	7.7	201	–4	none	0.73
	SteinRoe T-E Inc–Intermediate/Stein Roe	10/85	5.5	5.6	97	–11	none	0.80p
B	**SteinRoe Tax-Exempt Inc–Mngd/Stein Roe**	1/77	7.5	7.0	468	–5	none	0.65
D	**Tax-Ex Bond Fund of America/American Funds**	10/79	7.1	6.9	337	–2	4.75	0.57
	Tax-Free Trust of Arizona/Aquila	3/86	7.8	7.2	83	12	4.00	0.34
	Tax-Free Trust of Oregon/Aquila	6/86	9.3	6.8	99	11	4.00	0.55p
	Thomson McKinnon Inv–Tax-Ex/Thomson	11/85	5.7	6.2	65	–8	5.00r	*1.90*
A+	**United Municipal Bond Fund/Waddell & Reed**	11/76	9.1	7.2	461	5	4.25	0.58
	United Municipal High Inc/Waddell & Reed	1/86	3.9	8.9	106	64	4.25	0.86
B	**USAA Tax-Exempt–High Yield/USAA**	3/82	7.1	7.7	858	–1	none	0.51
C	**USAA Tax-Exempt–Intermediate/USAA**	3/82	7.2	7.1	359	6	none	0.56
C	**USAA Tax-Exempt–Short-Term/USAA**	3/82	4.9	5.9	248	–3	none	0.56
	UST Master Tax-Ex–Intermed/Boston Co	12/85	9.1	6.3	54	51	none	0.66
	Value Line Tax-Exempt–Hi Yld/Value Line	3/84	6.8	7.9	251	–7	none	0.64
	Van Kampen Merritt Cal Ins T-F/Van Kampen	12/85	6.0	6.8	36	38	4.90	*0.14p*
	Van Kampen Merritt Ins T-F/Van Kampen	12/84	7.9	7.0	521	2	4.90	*0.71*
	Van Kampen Merritt T-F Hi Inc/Van Kampen	6/85	7.2	8.2	394	24	4.90	*0.74*
	Vanguard California T-F–Ins L-T/Vanguard	4/86	7.0	6.8	105	12	none	0.31
A	**Vanguard Muni Bond–High Yield/Vanguard**	12/78	7.7	7.7	696	–14	none	0.26
	Vanguard Muni Bond–Ins L-T/Vanguard	9/84	8.3	7.4	729	–8	none	0.26
B	**Vanguard Muni Bond–Intermed/Vanguard**	9/77	7.9	6.8	804	–11	none	0.26
B	**Vanguard Muni Bond–Long-Term/Vanguard**	9/77	7.7	7.5	542	–14	none	0.26
C	**Vanguard Muni Bond–S-T/Vanguard**	9/77	5.1	5.0	849	–22	none	0.26
	Vanguard New York Insured T-F/Vanguard	4/86	6.0	6.8	89	11	none	0.35
	Vanguard Penn Tax-Free–Ins L-T/Vanguard	4/86	7.7	7.0	227	12	none	0.31
	Venture Muni (+) Plus/Venture	2/82	8.9	8.3	56	12	5.00r	*2.49*

A municipal bond fund is included if it has at least $25 million in net assets and, if open-end, is at least 12 months old. It will be graded only if in operation since 5/31/84. Yield is last 12 months' income dividends divided by 6/30/88 net asset value; it may differ from "yield" as defined by the SEC. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* *Fund not in operation for full period. p: Net of partial absorption of expenses by fund sponsor. b: Includes back-end load that reverts to fund. r: Includes back-end load that reverts to distributor. NA: Not applicable or not available.

Table of distributors, showing addresses and phone numbers, begins on page 250.

1988 Fund Ratings

Money market funds

Money market funds are divided below into taxable and tax-exempt funds. Within each group, funds get pretty much the same yields on the paper they buy, but their returns differ because their overhead differs. Look at the expense column on the right. Taxable funds specializing in U.S. Treasury paper are marked with a •. These funds offer less risk with only slight, if any, yield penalties. The listing of tax-exempt money market funds begins on page 242. For more information on a fund, contact the distributor listed after the name; table of distributors starts on page 250.

Portfolio average maturity days	Fund/distributor	Date started	Latest 12 months return from income dividends	Total assets 6/30/88 (millions)	Total assets % change '88 vs '87	Minimum initial investment	Annual expenses per $100
	Forbes taxable money fund composite		6.4%				$0.71
	Forbes tax-exempt money fund composite		4.3%				$0.64
	Taxable money market funds						
46	Active Assets Money Trust/Dean Witter	7/81	6.6%	$2,535	10%	†	*$0.54*
56	Alliance Capital Reserves/Alliance	7/78	6.3	1,388	−5	$1,000	*0.95*
32	Alex Brown Cash Reserve–Prime/Brown	8/81	6.5	866	4	1,500	*0.55*
42	•Capital Preservation Fund/Benham	10/72	5.9	2,093	18	1,000	0.63
24	Cash Accumulation–Natl MM/Thomson	11/84	6.5	2,009	7	500	*0.73*
12	•Cash Equivalent Fund–Govt/Kemper	12/81	6.4	1,309	37	1,000	*0.68*
29	Cash Equivalent Fund–MM/Kemper	3/79	6.4	5,829	6	1,000	*0.81*
21	Cash Mgmt Trust of America/American Funds	11/76	6.5	1,085	51	5,000	*0.51*
32	Cash Reserve Management/Shearson	1/77	6.6	3,119	−18	10,000	0.61
32	•CMA Government Securities/MLPF&S	8/81	6.0	2,193	14	†	*0.59*
37	CMA Money Fund/MLPF&S	9/77	6.4	19,478	9	†	*0.55*
44	Command Money Fund/Command	2/82	6.5	1,568	13	†	*0.66*
21	Current Interest–Money Market/Criterion	6/74	5.9	501	−32	1,000	*1.06*
20	Daily Cash Accumulation Fund/Centennial	7/78	6.4	2,699	7	500	*0.78*
31	Daily Income Fund/Reich & Tang	7/74	6.4	509	3	5,000	*0.65*
61	DBL Cash Fund–Money Market/Drexel	2/81	6.5	1,502	5	1,000	0.63
42	Dean Witter/Sears Liquid Asset/Dean Witter	9/75	6.6	8,078	19	5,000	*0.62*
36	•Dean Witter/Sears US Govt MM/Dean Witter	2/82	6.1	622	16	1,000	*0.82*
23	Delaware Group Cash Reserve/Delaware	6/78	6.4	1,196	22	1,000	0.88
61	Dreyfus Liquid Assets/Dreyfus	1/74	6.5	7,222	0	2,500	0.69
34	•Dreyfus MM Instrum–Govt Secs/Dreyfus	5/79	6.0	736	−11	2,500	0.65
55	Fidelity Cash Reserves/Fidelity	5/79	6.1	9,448	44	1,000	0.67
32	Fidelity Daily Income Trust/Fidelity	5/74	6.4	2,875	3	5,000	0.70
25	Fidelity Select–Money Market/Fidelity	8/85	6.3	865	26	1,000	0.88
56	•Fidelity US Government Reserves/Fidelity	11/81	6.3	1,375	60	1,000	0.79
25	Franklin Money Fund/Franklin	1/76	6.3	1,228	15	500	0.79

A taxable money market fund is added to this list if it has at least $500 million in net assets and is at least 12 months old; a fund is dropped when its assets fall below $500 million. The fund must have a minimum initial investment of less than $100,000. Yield is last 12 months' income dividends divided by 6/30/88 net asset value; it may differ from "yield" as defined by the SEC. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* • Specializes in U.S. government paper. p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available. †Fund is offered as part of an integrated financial service account that has a minimum initial investment.

Table of distributors, showing addresses and phone numbers, begins on page 250.

Portfolio average maturity days	Fund/distributor	Date started	Latest 12 months return from income dividends	Total assets		Minimum initial investment	Annual expenses per $100
				6/30/88 (millions)	% change '88 vs '87		
	FORBES taxable money fund composite		6.4%				$0.71
	FORBES tax-exempt money fund composite		4.3%				$0.64
	Taxable money market funds						
50	**●Fund for Govt Investors/Rushmore**	3/75	5.9%	$658	7%	$2,500	$0.80
44	**General Money Market Fund/Dreyfus**	2/82	6.3	769	18	2,500	*0.97*
32	**Hutton AMA Cash Fund/Shearson**	3/82	6.6	1,957	–12	†	0.60
31	**●Hutton Government Fund/Shearson**	6/82	6.1	1,024	–12	10,000	0.91
30	**Hutton Investment–S-T Inv/Shearson**	1/82	6.6	744	108	500	*0.77*p
22	**IDS Cash Management Fund/IDS**	10/75	6.4	1,108	29	2,000	0.71p
52	**ED Jones Daily Passport Cash/Jones & Co**	3/80	6.2	795	29	1,000	1.03
28	**Kemper Money Market–MM/Kemper**	11/74	6.7	4,835	16	1,000	0.52
41	**Kidder Peabody Premium Account/Kidder**	5/82	6.6	883	15	†	0.57
27	**●Liberty US Govt Money Market/Federated**	6/80	6.1	1,316	–9	500	1.01
35	**Liquid Capital Income Trust/Carnegie**	11/74	6.3	1,216	–2	1,000	0.72
23	**Mass Cash Management–Prime/Mass Finl**	12/75	6.4	687	11	1,000	0.80
41	**●Merrill Lynch Government Fund/ML Boston**	9/77	6.1	1,526	–6	5,000	0.45
34	**Merrill Lynch Institutional Fund/ML Boston**	12/74	6.3	1,473	19	25,000	0.44
36	**Merrill Lynch Ready Assets/ML Funds**	2/75	6.3	9,522	–9	5,000	*0.53*
31	**Merrill Lynch Retire Res Money/ML Funds**	4/82	6.2	3,327	11	none	0.89
38	**National Liquid Reserves–Cash/Smith Barney**	8/74	6.5	1,343	–3	1,500	0.56
40	**New England Cash Mgmt–MM/New England**	7/78	6.4	824	20	1,000	0.74
21	**Oppenheimer Money Market/Oppenheimer**	4/74	6.3	671	10	1,000	0.86
46	**●Pacific Horizon–Govt MM/Concord Finl**	3/84	6.2	898	–31	1,000	*0.56*
26	**Pacific Horizon–Money Market/Concord Finl**	3/84	6.6	8,016	979	1,000	*0.58*
32	**PaineWebber Cashfund/PaineWebber**	5/78	6.5	3,988	–1	5,000	0.57
34	**PaineWebber RMA–MM/PaineWebber**	10/82	6.3	2,509	16	†	0.76
NA	**Pierpont Money Market/Morgan Stanley**	11/83	6.5[1]	1,667[2]	46	25,000	0.54
34	**T Rowe Price Prime Reserve Fund/Price**	3/76	6.5	3,475	14	1,000	0.82
39	**Pru-Bache Moneymart Assets/Pru-Bache**	6/76	6.4	5,075	21	1,000	*0.69*
31	**Putnam Daily Dividend Trust/Putnam**	9/76	6.2	644	34	1,000	1.01
16	**Quest for Value Cash Management/Quest**	1/87	6.4	501	54	500	*0.74*
28	**Reserve Fund–Primary/Reserve**	11/71	6.2	1,621	12	1,000	*0.98*
41	**Scudder Cash Investment Trust/Scudder**	7/76	6.4	1,368	20	1,000	0.75
52	**Shearson FMA Cash Fund/Shearson**	2/82	6.6	1,699	17	†	0.66
48	**●Shearson FMA Government Fund/Shearson**	2/82	6.3	621	37	†	0.64
56	**●Shearson Government & Agencies/Shearson**	10/80	6.5	1,999	9	2,500	0.61
46	**Shearson Lehman Daily Dividend/Shearson**	6/79	6.2	4,393	19	2,500	0.80
34	**Short-Term Income–MM/Reich & Tang**	1/80	6.3	744	–1	5,000	*0.77*

A taxable money market fund is added to this list if it has at least $500 million in net assets and is at least 12 months old; a fund is dropped when its assets fall below $500 million. The fund must have a minimum initial investment of less than $100,000. Yield is last 12 months' income dividends divided by 6/30/88 net asset value; it may differ from "yield" as defined by the SEC. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* ● Specializes in U.S. government paper. p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available. †Fund is offered as part of an integrated financial service account that has a minimum initial investment. [1]Twelve months to 5/31/88. [2]As of 5/31/88. Fund refuses to disclose current data.

Table of distributors, showing addresses and phone numbers, begins on page 250.

1988 Fund Ratings/Money Market

Portfolio average maturity days	Fund/distributor	Date started	Latest 12 months return from income dividends	Total assets 6/30/88 (millions)	Total assets % change '88 vs '87	Minimum initial investment	Annual expenses per $100
	FORBES taxable money fund composite		6.4%				$0.71
	FORBES tax-exempt money fund composite		4.3%				$0.64
	Taxable money market funds						
45	SteinRoe Income–Cash Reserves/Stein Roe	9/76	6.4%	$930	17%	$1,000	$0.72
37	•Summit Cash Reserves Fund/ML Funds	12/82	6.3	642	0	5,000	0.79
25	Transamerica Cash Reserve/Transamerica	8/80	6.6	530	54	500	0.49
33	Tucker Anthony Cash Mgmt/Tucker Anthony	4/81	6.2	754	8	1,000	0.85
20	USAA Mutual–Money Market/USAA	2/81	6.5	624	41	1,000	0.75p
33	Value Line Cash Fund/Value Line	4/79	6.6	546	10	1,000	0.72
35	•Vanguard MM Reserves–Federal/Vanguard	7/81	6.5	1,060	69	1,000	0.37
36	Vanguard MM Reserves–Prime/Vanguard	6/75	6.9	5,218	68	1,000	0.37
39	Vantage Money Market–Cash/Smith Barney	10/82	6.4	559	25	†	0.60
42	Webster Cash Reserve Fund/Kidder	8/79	6.4	1,499	0	1,500	0.63
	Tax-exempt money market funds						
17	Active Assets Tax-Free Trust/Dean Witter	7/81	4.4	1,043	–1	†	*0.58*
50	Alliance Tax-Exempt Res–General/Alliance	1/83	4.2	657	–19	1,000	*0.80*
38	Alliance Tax-Exempt Reserves–NY/Alliance	10/86	3.7	41	–42	none	*0.87*
5	Benham Calif Tax-Free–MM/Benham	11/83	3.9	296	–4	1,000	0.67
15	Benham National Tax-Free–MM/Benham	1/84	4.2	69	–14	1,000	0.31
65	Boston Co T-F Muni–Mass MM/Boston Co	7/83	4.2	146	7	1,000	*0.64*
36	Boston Co Tax-Free Muni–Money/Boston Co	8/83	4.0	37	–6	1,000	*0.92*
57	California Daily Tax-Free Inc/Reich & Tang	2/87	4.2	75	8	5,000	0.53p
20	Calif Investment-Tax-Free MM/California Inv	12/85	4.6	56	80	10,000	0.32p
35	Calvert Tax-Free Reserves–MM/Calvert	4/81	4.7	720	0	2,000	0.62
23	Cardinal Tax-Exempt Money/Ohio Co	9/83	4.1	70	–11	1,000	0.74
46	Carnegie Tax-Free Income Trust/Carnegie	8/82	4.4	307	–5	1,000	0.59
45	Cash Accumulation–Natl T-E/Thomson	11/84	4.2	273	–15	500	*0.66*
43	Centennial Tax-Exempt Trust/Centennial	9/81	4.3	518	11	500	*0.80*
54	Cigna Tax-Exempt Cash Fund/Cigna	1/82	4.1	60	1	1,000	*0.72*
48	CMA Tax-Exempt Fund/MLPF&S	1/81	4.3	7,989	3	†	*0.54*
43	Colonial Tax-Exempt–MM/Colonial	6/87	4.8	55	NM	250	0.31p
66	Command Tax-Free Fund/Command	2/82	4.3	676	–2	†	*0.70*
72	Connecticut Daily Tax-Free Inc/Reich & Tang	5/85	3.9	243	1	5,000	*0.76p*
44	Cortland Trust–Tax-Free MM/Cortland	6/85	4.1	82	–1	1,000	*0.70*
27	Counsellors New York Tax-Ex/Counsellors	4/85	4.1	58	–34	1,000	0.46p
34	Current Interest–Tax-Free/Criterion	5/83	4.1	80	–19	1,000	*0.84*
19	Daily Tax-Free Income Fund/Reich & Tang	11/82	4.3	865	–23	5,000	0.76

A tax exempt money market fund is added to this list if it has at least $25 million in net assets and is at least 12 months old. a fund is dropped when its assets fall below $25 million. The fund must have a minimum initial investment of less than $100,000. Yield is last 12 months' income dividends divided by 6/30/88 net asset value; it may differ from "yield" as defined by the SEC. *Expense ratio is in italics if the fund has a shareholder paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* • Specializes in U.S. government paper. p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available. NM: Not meaningful. †Fund is offered as part of an integrated financial service account that has a minimum initial investment.

Table of distributors, showing addresses and phone numbers, begins on page 250.

1988 Fund Ratings/Money Market

Portfolio average maturity days	Fund/distributor	Date started	Latest 12 months return from income dividends	Total assets 6/30/88 (millions)	Total assets % change '88 vs '87	Minimum initial investment	Annual expenses per $100
	Forbes taxable money fund composite		6.4%				$0.71
	Forbes tax-exempt money fund composite		4.3%				$0.64
	Tax-exempt money market funds						
68	**DBL Tax-Free Fund–Money Market/Drexel**	4/83	4.4%	$544	0%	$1,000	$0.63
19	**Dean Witter/Sears T-F Daily Inc/Dean Witter**	2/81	4.4	941	–1	5,000	*0.61*
20	**Delaware Group Tax-Free–Money/Delaware**	9/81	4.2	71	1	5,000	*0.72*
38	**Dreyfus California Tax-Ex MM/Dreyfus**	1/86	4.2	341	19	2,500	0.60
25	**Dreyfus General Calif T-E Money/Dreyfus**	3/87	4.5	97	795	2,500	*0.34*
67	**Dreyfus General NY T-E Money/Dreyfus**	12/86	4.1	85	83	2,500	0.40
66	**Dreyfus New York Tax-Ex MM/Dreyfus**	6/87	4.3	395	NM	2,500	NA
41	**Dreyfus Tax-Exempt MM/Dreyfus**	8/80	4.2	2,587	–11	2,500	0.56
11	**Eaton Vance Tax-Free Reserves/Eaton Vance**	12/82	4.2	69	17	1,000	0.75
86	**Empire Tax-Free Money Market/Reich & Tang**	5/84	4.0	205	–10	5,000	*0.79*p
47	**Federated Tax-Free Trust/Federated**	3/79	4.4	2,813	–22	25,000	0.44p
45	**FFB Tax-Free Money Market/Furman Selz**	9/86	4.2	134	19	1,000	*0.61*p
34	**Fidelity Calif Tax-Free–MM/Fidelity**	7/84	4.2	567	16	2,500	0.58p
52	**Fidelity Mass Tax-Free–MM/Fidelity**	11/83	4.1	612	11	2,500	0.61
46	**Fidelity NY Tax-Free–MM/Fidelity**	7/84	4.2	643	32	2,500	0.56p
48	**Fidelity Pennsylvania T-F–MM/Fidelity**	8/86	4.3	73	61	2,500	0.50
37	**Fidelity Tax-Exempt–MM/Fidelity**	1/80	4.4	3,453	–10	5,000	0.46
33	**Financial Tax-Free Money Fund/Financial Prog**	5/83	4.1	28	0	250	0.86
45	**First Investors Tax-Exempt MM/First Inv**	6/83	4.1	38	–5	1,000	*0.76*
30	**First Lakeshore T-E Money Market/Dreyfus**	2/86	4.4	131	–10	1,000	*0.96*
36	**Flag Inv T-F Cash Reserve Shs/Brown**	3/83	4.3	232	–5	1,500	*0.43*
36	**Franklin Calif Tax-Exempt Money/Franklin**	9/85	4.6	681	89	500	0.58
85	**Franklin New York Tax-Ex Money/Franklin**	1/86	4.1	54	39	500	0.51
94	**Franklin Tax-Exempt Money Fund/Franklin**	2/82	4.6	209	23	500	*0.72*
65	**Fund for Tax-Free Inv–MM/Rushmore**	9/83	4.0	34	–19	2,500	0.80
46	**General Tax-Exempt MM/Dreyfus**	12/83	4.2	402	–30	2,500	0.59
55	**IDS Tax-Free Money Fund/IDS**	8/80	4.0	118	–8	2,000	0.69
55	**Kidder Peabody Tax-Exempt MM/Kidder**	7/83	4.4	794	–13	1,500	0.56
64	**Landmark NY T-F Reserves/Landmark Funds**	1/85	3.8	340	16	1,000	*0.80*
20	**Landmark Tax-Free Reserves/Landmark Funds**	1/84	4.2	144	2	1,000	*0.81*
45	**Lazard Frères–Tax-Free MM/Lazard**	10/82	4.4	296	–25	2,500	*0.60*
32	**Legg Mason Tax-Exempt Trust/Legg Mason**	7/83	4.1	99	7	5,000	*0.74*
55	**Lehman Mgmt T-F Reserves/Shearson**	1/86	4.1	101	–17	1,000	0.70
79	**Lexington Tax-Free Money Fund/Lexington**	10/77	4.4	86	–7	1,000	0.74
70	**McDonald Tax-Exempt MM/McDonald**	8/85	4.1	107	1	500	NA

A tax-exempt money market fund is added to this list if it has at least $25 million in net assets and is at least 12 months old; a fund is dropped when its assets fall below $25 million. The fund must have a minimum initial investment of less than $100,000. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* ● Specializes in U.S. government paper. p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available. NM: Not meaningful.

Table of distributors, showing addresses and phone numbers, begins on page 250.

1988 Fund Ratings/Money Market

Portfolio average maturity days	Fund/distributor	Date started	Latest 12 months return from income dividends	Total assets		Minimum initial investment	Annual expenses per $100
				6/30/88 (millions)	% change '88 vs '87		
	Forbes taxable money fund composite		6.4%				**$0.71**
	Forbes tax-exempt money fund composite		4.3%				**$0.64**
	Tax-exempt money market funds						
73	**Midwest Group Tax-Free–MM/MGF**	9/81	4.4%	$116	8%	$1,000	*$0.95*
41	**Money Management Plus–Tax-Free/Calvert**	10/84	4.4	125	–3	†	*0.88*
54	**Municipal Cash Reserve Mgmt/Shearson**	5/81	4.4	1,414	–31	10,000	0.49
44	**Neuberger & Berman Muni M/Neuberger**	12/84	4.4	227	18	2,000	0.68
74	**New England Tax-Exempt MM/New England**	1/83	4.3	66	15	1,000	0.57
47	**Nuveen California Tax-Free–MM/Nuveen**	4/86	4.3	208	–27	5,000	*0.54*
36	**Nuveen Tax-Exempt MM/Nuveen**	4/81	4.6	2,090	12	25,000	0.40
63	**Nuveen Tax-Free MM–Mass/Nuveen**	12/86	4.3	41	43	5,000	*0.48*
51	**Nuveen Tax-Free Reserves/Nuveen**	11/82	4.3	403	30	1,000	*0.73*
42	**AT Ohio Tax-Free Money Fund/Federated**	7/85	4.2	232	2	25,000	0.61
23	**Pacific Horizon–Tax-Ex MM/Concord Finl**	3/84	4.1	44	–56	1,000	*0.84*
36	**PaineWebber RMA–Tax-Free/PaineWebber**	10/82	4.2	941	0	†	0.62
NA	**Pierpont Tax-Exempt MM/Morgan Stanley**	9/83	3.9[1]	1,132[2]	–3	25,000	0.56
27	**T Rowe Price Calif T-F Inc–Money/Price**	9/86	4.2	63	68	2,000	0.80p
44	**T Rowe Price New York T-F Money/Price**	8/86	3.8	39	48	2,000	0.80
17	**T Rowe Price Tax-Exempt Money/Price**	4/81	4.4	1,204	–6	2,000	0.60
86	**Pru-Bache Muni–New York MM/Pru-Bache**	4/85	4.0	188	41	1,000	*0.73*
63	**Pru-Bache Tax-Free Money Fund/Pru-Bache**	8/79	4.5	714	1	1,000	*0.77*
43	**Reserve New York Tax-Ex–NY/Resrv**	11/83	3.7	86	–4	1,000	*1.00*
49	**Reserve Tax-Exempt–Connecticut/Resrv**	5/85	3.9	240	2	1,000	*0.90*
43	**Reserve Tax-Exempt–Interstate/Resrv**	11/83	4.2	378	35	1,000	*1.00*
32	**Safeco Tax-Free Money Market/Safeco**	8/84	4.3	34	8	1,000	0.64
29	**St Clair Tax-Free–Money Market/Fairfield**	9/85	4.3	50	–25	500	0.68
16	**Scudder California Tax-Free Money/Scudder**	6/87	4.5	51	NM	1,000	0.45p
44	**Scudder NY Tax-Free Money Fund/Scudder**	6/87	4.3	30	NM	none	0.50p
56	**Scudder Tax-Free Money Fund/Scudder**	1/80	4.2	381	–4	1,000	0.66
43	**Shearson Daily Tax-Free Dividend/Shearson**	10/82	4.4	766	3	2,500	0.60
46	**Shearson FMA Municipal Fund/Shearson**	3/82	4.5	1,062	6	†	0.62
21	**Shearson Lehman Calif Daily T-F/Shearson**	11/85	4.3	199	30	2,500	0.70
57	**Shearson Lehman NY Daily T-F/Shearson**	11/85	4.0	217	27	2,500	0.70
51	**Standby Tax-Exempt Reserve/Cowen**	4/86	4.0	65	8	2,000	0.57p
23	**SteinRoe Tax-Exempt Inc–Money/Stein Roe**	3/83	4.2	294	4	1,000	0.69
61	**Strong Tax-Free Money Market/Strong**	10/86	4.7	70	73	2,500	1.00
18	**Tax-Exempt California MM/Kemper**	6/87	4.2	96	709	1,000	*0.69p*
16	**Tax-Exempt Money Market Fund/Kemper**	7/82	4.4	1,746	2	1,000	0.65

A tax-exempt money market fund is added to this list if it has at least $25 million in net assets and is at least 12 months old; a fund is dropped when its assets fall below $25 million. The fund must have a minimum initial investment of less than $100,000. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* ● Specializes in U.S. government paper. p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available. NM: Not meaningful. †Fund is offered as part of an integrated financial service account that has a minimum initial investment. [1] Twelve months to 8/31/87. [2] As of 2/29/88. Fund refuses to disclose current data.

Table of distributors, showing addresses and phone numbers, begins on page 250.

Portfolio average maturity days	Fund/distributor	Date started	Latest 12 months return from income dividends	Total assets		Minimum initial investment	Annual expenses per $100
				6/30/88 (millions)	% change '88 vs '87		
	Forbes taxable money fund composite		6.4%				$0.71
	Forbes tax-exempt money fund composite		4.3%				$0.64
	Tax-exempt money market funds						
40	**Tax-Free Instruments Trust/Federated**	12/82	4.3%	$1,296	–8%	$500	$0.55p
46	**Tax-Free Money Fund/Smith Barney**	4/81	4.3	1,046	–6	5,000	0.48
30	**Tucker Anthony T-E Money/Tucker Anthony**	12/82	4.2	227	–5	1,000	0.48p
51	**UMB Tax-Free Money Market/Jones & Babson**	12/82	4.3	67	–12	1,000	0.53
52	**USAA Tax-Exempt Fund–MM/USAA**	2/84	4.6	622	21	10,000	0.43
35	**UST Master Tax-Exempt–S-T/Boston Co**	5/85	4.6	563	9	10,000	0.52
62	**Value Line Tax-Exempt–MM/Value Line**	3/84	4.2	48	–22	1,000	0.89
62	**Vanguard California T-F–MM/Vanguard**	6/87	4.6	166	NM	3,000	0.33
62	**Vanguard Muni Bond–MM/Vanguard**	6/80	4.7	2,139	18	3,000	0.26

A tax-exempt money market fund is added to this list if it has at least $25 million in net assets and is at least 12 months old; a fund is dropped when its assets fall below $25 million. The fund must have a minimum initial investment of less than $100,000. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* ● Specializes in U.S. government paper. p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available. NM: Not meaningful.

Table of distributors, showing addresses and phone numbers, begins on page 250.

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Fund distributors

Below are addresses and phone numbers of mutual fund distributors, the firms that market mutual funds. Call or write the distributor to get the prospectus, the most recent annual or semiannual report and, if you like reading fine print, the "statement of additional information." If the fund carries a sales load, your stockbroker may also have this literature. A fund without a separate distributor is listed under the name of the fund itself. Closed-end funds are traded like shares of industrial companies and do not have distributors. "Exchange privilege" refers to the option to switch from one fund to others in the same family; in some cases that other fund is too small to be listed here. (For example, taxable money market funds have to have at least $500 million in assets to appear.) The key on the bottom of this page lists fund types. The type for the Acorn Fund, for instance, is "ST," or stock fund.

Distributor	Type of fund
Accrued Equities 295 Northern Boulevard Great Neck, NY 11021 (516) 466-0808* (local) Exchange privilege: No	
New Alternatives Fund	ST
Acorn Fund 2 North LaSalle Street Suite 500 Chicago, IL 60602-3790 (312) 621-0630* (local) Exchange privilege: Yes	
Acorn Fund	ST
Adtek Fund 4920 West Vliet Street Milwaukee, WI 53208 (414) 257-1842 (local) Exchange privilege: No	
Adtek Fund	BA
Advest Group 280 Trumbull Street Hartford, CT 06103 (800) 842-3807 (local) (800) 243-8115 (out of state) Exchange privilege: Yes	
Advantage Government Securities	BD
Advantage Growth Fund	ST
Advantage Income Fund	BA
AFA Distributors 50 Broad Street New York, NY 10004 (212) 482-8100* (local) (800) 654-0001 (out of state) Exchange privilege: Yes	
National Aviation & Technology	ST
National Telecom & Technology	ST

Distributor	Type of fund
Afuture Fund 122 Willowbrook Lane West Chester, PA 19382 (215) 344-7910* (local) (800) 523-7594 (out of state) Exchange privilege: No	
Afuture Fund	ST
AIM Distributors 11 Greenway Plaza Suite 1919 Houston, TX 77046 (800) 392-9681 (local) (800) 231-0803 (out of state) Exchange privilege: Yes	
Aim Convertible Securities	BA
Charter Fund	ST
Constellation Growth Fund	ST
High Yield Securities	BD
Summit Investor's Fund	ST
Weingarten Equity Fund	ST
Fred Alger & Co 75 Maiden Lane New York, NY 10038 (800) 992-3863 (nationwide) Exchange privilege: Yes	
Alger Fund–Growth	ST
Alliance Fund Services 500 Plaza Drive Secaucus, NJ 07094 (800) 221-5672 (nationwide) Exchange privilege: Yes	
Alliance Balanced Shares	BA
Alliance Bond–High Yield	BD
Alliance Bond–Monthly Income Shs	BD
Alliance Bond–US Government	BD
Alliance Capital Reserves	MM
Alliance Convertible Fund	BA
Alliance Counterpoint Fund	ST
Alliance Dividend Shares	ST
Alliance Fund	ST
Alliance Global–Canadian Fund	FO
Alliance Global–World Equities	FO
Alliance International Fund	FO
Alliance Mortgage Securities Income	BD
Alliance Tax-Exempt Res–General	MM
Alliance Tax-Exempt Res–NY	MM
Alliance Tax-Free Inc–High Bracket	MU
Alliance Tax-Free Income–High Inc	MU
Alliance Tax-Free Income–Ins Calif	MU
Alliance Technology Fund	ST
Quasar Associates	ST
Surveyor Fund	ST

Distributor	Type of fund
AMA Advisers PO Box 1111 Blue Bell, PA 19422 (215) 825-0400 (local) (800) 262-3863 (out of state) Exchange privilege: Yes	
AMA Growth–Classic Growth	ST
AMA Growth–Global Growth	FO
AMA Growth–Growth plus Income	ST
AMA Income–Classic Income	BD
AMA Income–Global Short-Term	FO
Emerging Medical Technology Fund	ST
Medical Technology Fund	ST
American Capital Marketing 2800 Post Oak Boulevard Houston, TX 77056 (713) 993-0500* (local) (800) 847-5636 (out of state) Exchange privilege: Yes	
American Capital Comstock Fund	ST
American Capital Corp Bond Fund	BD
American Capital Enterprise Fund	ST
American Capital Federal Mortgage	BD
American Capital Government Secs	BD
American Capital Harbor Fund	BA
American Capital High Yield Inv	BD
American Capital Muni Bond Fund	MU
American Capital OTC Securities	ST
American Capital Pace Fund	ST
American Capital Tax-Ex-Hi Yld	MU
American Capital Tax-Ex-Ins	MU
American Capital Venture Fund	ST
Fund of America	ST
Provident Fund for Income	BA
American Funds Group 333 South Hope Street Los Angeles, CA 90071 (800) 421-0180 (local) (800) 421-9900 (out of state) Exchange privilege: Yes	
Amcap Fund	ST
American Balanced Fund	BA
American Inc-US Govt Guar	BD
American Funds Tax-Exempt I–Md	MU
American Funds Tax-Exempt II–Calif	MU
American Mutual Fund	ST
Bond Fund of America	BD
Cash Management Trust of America	MM
EuroPacific Growth Fund	FO
Fundamental Investors	ST
Growth Fund of America	ST
Income Fund of America	BA
Investment Co of America	ST
New Economy Fund	ST
New Perspective Fund	FO
Tax-Exempt Bond Fund of America	MU
Washington Mutual Investors	ST

ST	Stock fund
BA	Balanced fund
FO	Foreign fund
BD	Bond & preferred fund
MU	Municipal bond fund
MM	Money market fund

*Will accept collect calls

Distributor	Type of fund
American Growth Fund Sponsors 410 17th Street Suite 800 Denver, CO 80202 (303) 623-6137* (local) (800) 525-2406 (out of state) Exchange privilege: No	
American Growth Fund	ST
American Investors PO Box 2500 Greenwich, CT 06836 (203) 531-5000 (local) (800) 243-5353 (out of state) Exchange privilege: Yes	
American Investors Growth Fund	ST
American Pension Distributors PO Box 2529 Lynchburg, VA 24501 (800) 533-4115 (local) (800) 544-6060 (out of state) Exchange privilege: Yes	
American Pension–Growth	ST
AMEV Investors PO Box 64284 St Paul, MN 55164 (800) 328-1001 (local) (800) 872-2638 (out of state) Exchange privilege: Yes	
AMEV Capital Fund	ST
AMEV Fiduciary Fund	ST
AMEV Growth Fund	ST
AMEV US Govt Securities Fund	BD
Amway Management Co 7575 East Fulton Road Ada, MI 49355 (616) 676-6000 (local) Exchange privilege: No	
Amway Mutual Fund	ST
Analytic Optioned Equity Fund 2222 Martin Street Suite 230 Irvine, CA 92715 (714) 833-0294 (local) Exchange privilege: Yes	
Analytic Optioned Equity Fund	ST
Angeles Securities 10301 West Pico Boulevard Los Angeles, CA 90064 (213) 277-4900* (local) (800) 421-4374 (out of state) Exchange privilege: No	
FPA Capital Fund	ST
FPA Paramount Fund	ST
FPA Perennial Fund	ST
Aquila Distributors 200 Park Avenue Suite 4515 New York, NY 10017 (212) 697-6666* (local) (800) 228-4227 (out of state) Exchange privilege: Yes	
Hawaiian Tax-Free Trust	MU
Tax-Free Trust of Arizona	MU
Tax-Free Trust of Oregon	MU
Armstrong Associates 1445 Ross Avenue LB 212 Suite 1490 Dallas, TX 75202 (214) 720-9101 (local) Exchange privilege: No	
Armstrong Associates	ST
Associated Planners Security 1901 Avenue of the Stars Suite 938 Los Angeles, CA 90067 (213) 553-6740* (local) Exchange privilege: No	
Associated Planners Stock Fund	ST
Avondale Government Securities 1105 Holliday Wichita Falls, TX 76301 (817) 761-3777* (local) Exchange privilege: No	
Avondale Government Securities	BD
Axe Securities Corp 400 Benedict Avenue Tarrytown, NY 10591 (914) 631-8131* (local) (800) 431-1030 (out of state) Exchange privilege: Yes	
Axe-Houghton Fund B	BA
Axe-Houghton Income Fund	BD
Axe-Houghton Stock Fund	ST
Bailard, Biehl & Kaiser 2755 Campus Drive San Mateo, CA 94403 (415) 571-5800* (local) (800) 882-8383 (out of state) Exchange privilege: No	
BB&K Diversa Fund	BA
Robert W Baird & Co 777 East Wisconsin Avenue Milwaukee, WI 53202 (414) 765-3500* (local) (800) 792-2473 (out of state) Exchange privilege: No	
Baird Blue Chip Fund	ST
Baird Capital Development Fund	ST
Bankers Systems Brokerage Services PO Box 517 St Cloud, MN 56302 (800) 247-0317 (local) (800) 328-1375 (out of state) Exchange privilege: Yes	
Bankers Systems Granit–Growth Stk	ST
Bartlett Capital Trust 36 East Fourth Street Cincinnati, OH 45202 (800) 327-4363 (local) (800) 543-0863 (out of state) Exchange privilege: Yes	
Bartlett Capital Trust–Basic Value	ST
Bartlett Capital Trust–Fixed Income	BD
Beacon Hill Mutual Fund 75 Federal Street Boston, MA 02110 (617) 482-0795 (local) Exchange privilege: No	
Beacon Hill Mutual Fund	ST
Bench Securities 222 Bridge Plaza South Fort Lee, NJ 07024 (201) 585-2333* (local) (800) 422-3624 (out of state) Exchange privilege: Yes	
Bench Portfolios–Blue Chip	ST
Benham Capital Management 755 Page Mill Road Palo Alto, CA 94304 (800) 982-6150 (local) (800) 227-8380 (out of state) Exchange privilege: Yes	
Benham Calif Tax-Free–Insured	MU
Benham Calif Tax-Free–Intermediate	MU
Benham Calif Tax-Free–Long-Term	MU
Benham Calif Tax-Free–MM	MM
Benham Government Inc–GNMA	BD
Benham National Tax-Free–L-T	MU
Benham National Tax-Free–MM	MM
Capital Preservation Fund	MM
Capital Preservation Treasury Note	BD
Berger Associates 899 Logan Street Denver, CO 80203 (303) 837-1020* (local) (800) 333-1001 (out of state) Exchange privilege: Yes	
One Hundred Fund	ST
One Hundred One Fund	ST
Berwyn Fund 1189 Lancaster Avenue Berwyn, PA 19312 (215) 640-4330* (local) Exchange privilege: No	
Berwyn Fund	ST
Boston Co Funds Distributor One Boston Place Boston, MA 02106 (800) 225-5267 (nationwide) Exchange privilege: Yes	
Boston Co Capital Appreciation Fund	ST
Boston Co Managed Income Fund	BD
Boston Co Special Growth Fund	ST
Boston Co Tax-Free Muni–Mass MM	MM
Boston Co Tax-Free Muni–Money	MM
UST Master Funds–Equity	ST
UST Master Funds–Income & Grow	ST
UST Master Tax-Exempt–Intermed	MU
UST Master Tax-Exempt–Short-Term	MM

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*Will accept collect calls.

Fund Distributors

Distributor	Type of fund
Brandywine Fund PO Box 4166 Greenville, DE 19807 (302) 656-6200 (local) Exchange privilege: No	
Brandywine Fund	ST
Bridges Investment Fund 8401 West Dodge Road Omaha, NE 68114 (402) 397-4700* (local) Exchange privilege: No	
Bridges Investment Fund	ST
Clayton Brown & Associates 500 West Madison Suite 3000 Chicago, IL 60606 (312) 559-3007 (local) (800) 621-4770 (out of state) Exchange privilege: Yes	
First Trust–US Government	BD
Alex Brown & Sons 135 East Baltimore Street Baltimore, MD 21202 (301) 727-1700* (local) Exchange privilege: Yes	
Alex Brown Cash Reserve–Prime	MM
Flag Investors Corporate Cash Trust	ST
Flag Investors International Trust	FO
Flag Investors T-F Cash Reserve Shs	MM
Flag Investors Telephone Income	ST
Bruce Fund 20 North Wacker Drive Suite 1425 Chicago, IL 60606 (312) 236-9160 (local) Exchange privilege: No	
Bruce Fund	BA
Bull & Bear Group 11 Hanover Square New York, NY 10005 (212) 785-0900* (local) (800) 847-4200 (out of state) Exchange privilege: Yes	
Bull & Bear Capital Growth Fund	ST
Bull & Bear Equity-Income Fund	ST
Bull & Bear Gold Investors	FO
Bull & Bear High Yield Fund	BD
Bull & Bear US Govt Guar Secs	BD
Calamos Financial Services 2001 Spring Road Suite 750 Oakbrook, IL 60521 (800) 323-9943 (local) (800) 251-2411 (out of state) Exchange privilege: No	
Calamos Convertible Income	ST
California Investment Trust 44 Montgomery Street Suite 2200 San Francisco, CA 94104 (800) 225-8778 (local) (800) 826-8166 (out of state) Exchange privilege: Yes	
California Investment Tax-Free Inc	MU
California Investment Tax-Free MM	MM
Calvert Group 1700 Pennsylvania Avenue NW Washington, DC 20006 (301) 951-4800* (local) (800) 368-2748 (out of state) Exchange privilege: Yes	
Calvert Ariel Growth Fund	ST
Calvert Fund–Equity	ST
Calvert–Washington Area Growth	ST
Calvert Social Inv–Managed Growth	BA
Calvert Tax-Free Reserves–Limited	MU
Calvert Tax-Free Reserves–L-T	MU
Calvert Tax-Free Reserves–MM	MM
Money Management Plus–Tax-Free	MM
Capstone Asset Planning Company PO Box 3167 Houston, TX 77253-3167 (800) 262-6631 (nationwide) Exchange privilege: Yes	
Capstone Equity Guard Stock Fund	ST
Cashman Farrell Value Fund	ST
Fund of the Southwest	ST
PBHG Growth Fund	ST
US Trend Fund	ST
Carnegie Fund Distributors 1100 The Hale Building 1228 Euclid Avenue Cleveland, OH 44115 (216) 781-4440* (local) (800) 321-2322 (out of state) Exchange privilege: Yes	
Carnegie-Cappiello Trust–Growth	ST
Carnegie-Cappiello–Total Return	ST
Carnegie Go[illegible]h Yield Govt	BD
Carnegie [illegible] Trust	MM
Liquid Capital Income Trust	MM
Centennial Capital Corp 3410 South Galena Street Denver, CO 80201 (800) 356-3556 (local) (800) 525-7048 (out of state) Exchange privilege: Yes	
Centennial Tax-Exempt Trust	MM
Daily Cash Accumulation Fund	MM
Century Shares Trust One Liberty Square Boston, MA 02109 (617) 482-3060* (local) (800) 321-1928 (out of state) Exchange privilege: No	
Century Shares Trust	ST
Cigna Securities Hartford, CT 06152 (203) 726-6000 (nationwide) Exchange privilege: Yes	
Cigna Aggressive Growth Fund	ST
Cigna Government Securities	BD
Cigna Growth Fund	ST
Cigna High Yield Fund	BD
Cigna Income Fund	BD
Cigna Municipal Bond Fund	MU
Cigna Tax-Exempt Cash Fund	MM
Cigna Value Fund	ST
Claremont Financial Services 250 West First Street Suite 220 Claremont, CA 91711 (800) 554-5106 (local) (800) 826-8896 (out of state) Exchange privilege: Yes *Note: This distributor has nothing to do with the closed-end Claremont Capital on the honor roll*	
Claremont Fund-Combined	BA
Colonial Investment Services One Financial Center Boston, MA 02111 (617) 426-3750* (local) (800) 225-2365 (nationwide) Exchange privilege: Yes	
Colonial Advanced Strategies Gold	BA
Colonial California Tax-Exempt	MU
Colonial Equity Income Trust	ST
Colonial Fund	BA
Colonial Government Securities Plus	BD
Colonial Growth Shares Trust	ST
Colonial High Yield Securities	BD
Colonial Income Trust	BD
Colonial International Equity Index	FO
Colonial Ohio Tax-Exempt Trust	MU
Colonial Small Stock Index Trust	ST
Colonial Strategic Inc–Diversified	ST
Colonial Strategic Inc–Income Plus	ST
Colonial Tax-Exempt–High Yield	MU
Colonial Tax-Exempt–Insured Fund	MU
Colonial Tax-Exempt–Money Market	MM
Colonial US Equity Index Trust	ST
Columbia Funds Management Co PO Box 1350 Portland, OR 97207-1350 (800) 452-4512 (local) (800) 547-1037 (out of state) Exchange privilege: Yes	
Columbia Fixed Income Securities	BD
Columbia Growth Fund	ST
Columbia Municipal Bond Fund	MU
Columbia Special Fund	ST
Command Money Market Funds 115 Broadway 16th Floor New York, NY 10292 (212) 306-0501 (local) Exchange privilege: No	
Command Money Fund	MM
Command Tax-Free Fund	MM
Common Sense Distributors 3120 Breckinridge Boulevard Duluth, GA 30199-0001 (404) 381-2668 (local) (800) 888-3863 (out of state) Exchange privilege: Yes	
Common Sense–Government	BD
Common Sense–Growth	ST
Common Sense–Growth & Income	ST

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Distributor	Type of fund
Concord Financial Group 156 West 56th Street 19th Floor New York, NY 10019 (212) 492-1600* (local) (800) 367-6075 (out of state) Exchange privilege: Yes	
Pacific Horizon–Aggressive Growth	ST
Pacific Horizon–Calif Tax-Ex Bond	MU
Pacific Horizon–Government MM	MM
Pacific Horizon–Money Market	MM
Pacific Horizon–Tax-Exempt MM	MM
Connecticut Mutual Financial Services 140 Garden Street Hartford, CT 06154 (203) 727-6500* (local) (800) 243-2501 (out of state) Exchange privilege: Yes	
Connecticut Mutual–Govt Secs	BD
Connecticut Mutual–Growth	ST
Connecticut Mutual–Total Return	ST
Continental Equities Corp of America 180 Maiden Lane New York, NY 10038 (212) 440-3863 (local) (800) 626-3863 (nationwide) Exchange privilege: Yes	
Continental Equity Plus Fund	ST
Continental Option Income Plus	ST
Continental US Government Plus	BD
Conway, Luongo, Williams 3000 Sand Hill Road Menlo Park, CA 94025 (415) 854-9150* (local) Exchange privilege: No	
Adam Investors	ST
Copley Financial Services Corp PO Box 3287 Fall River, MA 02722 (617) 674-8459* (local) Exchange privilege: No	
Copley Fund	ST
Cortland Distributors 315 State Street Hackensack, NJ 07601 (201) 342-6066 (local) (800) 433-1918 (out of state) Exchange privilege: Yes	
Cortland Trust–Tax-Free MM	MM
Counsellors Securities 466 Lexington Avenue New York, NY 10017-3147 (212) 878-0600 (local) (800) 888-6878 (nationwide) Exchange privilege: Yes	
Counsellors New York Muni Bond	MU
Counsellors New York Tax-Exempt	MM

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Fund Distributors

Distributor	Type of fund
Country Capital Management Co PO Box 2222 Bloomington, IL 61701 (309) 557-2444 (local) Exchange privilege: Yes	
Country Capital Growth Fund	ST
Country Capital Income Fund	BA
Cowen & Co Financial Square New York, NY 10005 (212) 495-6000 (local) (800) 221-5616 (out of state) Exchange privilege: Yes	
Cowen Income + Growth Fund	ST
Standby Tax-Exempt Reserve Fund	MM
Craig-Hallum 701 Fourth Avenue South Minneapolis, MN 55415 (800) 331-4923 (nationwide) Exchange privilege: No	
General Securities	ST
Criterion Distributors 1000 Louisiana Houston, TX 77002-5098 (800) 999-3863 (local) (800) 231-4645 (out of state) Exchange privilege: Yes	
Criterion Bond–Investment Quality	BD
Criterion Bond–US Govt High Yield	BD
Criterion Income–Commerce Inc Shs	BA
Criterion Lowry Market Timing	ST
Criterion Pilot Fund	ST
Criterion Special Convertible Secs	BA
Criterion Special Global Growth	FO
Criterion Sunbelt Growth Fund	ST
Criterion Technology Fund	ST
Current Interest–Money Market	MM
Current Interest–Tax-Free	MM
Dean Witter Reynolds One World Trade Center New York, NY 10048 (212) 938-4554 (local) (800) 221-2685 (out of state) Exchange privilege: Yes	
Active Assets Money Trust	MM
Active Assets Tax-Free Trust	MM
Dean Witter American Value Fund	ST
Dean Witter Calif Tax-Free Income	MU
Dean Witter Convertible Secs	BA
Dean Witter Developing Growth Secs	ST
Dean Witter Dividend Growth Secs	ST
Dean Witter Government Secs Plus	BD
Dean Witter High Yield Secs	BD
Dean Witter Natural Resource Dev	ST
Dean Witter NY Tax-Free Income	MU
Dean Witter Option Income Trust	ST
Dean Witter/Sears Liquid Asset	MM
Dean Witter/Sears Tax-Free Daily Inc	MM
Dean Witter/Sears US Govt MM	MM
Dean Witter Tax-Exempt Secs	MU
Dean Witter US Govt Securities	BD
Dean Witter World Wide Investment	FO

Distributor	Type of fund
Delaware Distributors Ten Penn Center Plaza Philadelphia, PA 19103 (215) 988-1333 (local) (800) 523-4640 (nationwide) Exchange privilege: Yes	
Delaware Group Cash Reserve	MM
Delaware Group Decatur Fund–I	ST
Delaware Group Decatur Fund–II	ST
Delaware Group Delaware Fund	BA
Delaware Group DelCap–Concept I	ST
Delaware Group Delchester Hi Yld–I	BD
Delaware Group Government–Inc	BD
Delaware Group Tax-Free–Money	MM
Delaware Group Tax-Free–USA	MU
Delaware Group Tax-Free–USA Ins	MU
Delaware Group Treasury Res–Inv	BD
Delaware Group Trend Fund	ST
DMC Tax-Free Income Trust–PA	MU
Diversified Securities PO Box 357 Long Beach, CA 90801 (213) 595-7711* (local) Exchange privilege: No	
Investors Research Fund	ST
Dividend Growth Fund 107 North Adams Street Rockville, MD 20850 (301) 251-1002* (local) (800) 638-2042 (out of state) Exchange privilege: Yes	
Dividend/Growth–Dividend	ST
Dodge & Cox One Post Street 35th Floor San Francisco, CA 94104 (415) 434-0311 (local) Exchange privilege: Yes	
Dodge & Cox Balanced Fund	BA
Dodge & Cox Stock Fund	ST
Dolphin FRIC Convertible Fund 10900 Wilshire Boulevard Los Angeles, CA 90024 (213) 824-7609 (local) Exchange privilege: No	
Dolphin FRIC Convertible Fund	BA
Drexel Burnham Lambert 60 Broad Street New York, NY 10004 (212) 480-6000* (local) (800) 221-3290 (out of state) Exchange privilege: Yes	
DBL Cash Fund–Money Market	MM
DBL Tax-Free Fund–Limited Term	MU
DBL Tax-Free Fund–Long-Term	MU
DBL Tax-Free Fund–Money Market	MM
Drexel Burnham Fund	ST
Drexel Series–Convertible Secs	ST
Drexel Series–Emerging Growth	ST
Drexel Series–Government Securities	BD
Drexel Series–Growth	ST
Drexel Series–Option Income	ST
Fenimore International Fund Equity	FO

Distributor	Type of fund
Dreyfus Service Corp 600 Madison Avenue New York, NY 10022 (718) 895-1206 (local) (800) 645-6561 (out of state) Exchange privilege: Yes	
Dreyfus A Bonds Plus	BD
Dreyfus California Tax-Exempt Bond	MU
Dreyfus California Tax-Exempt MM	MM
Dreyfus Capital Value Fund	ST
Dreyfus Convertible Securities Fund	BA
Dreyfus Fund	ST
Dreyfus General Aggressive Growth	ST
Dreyfus General Calif Tax-Ex Money	MM
Dreyfus General NY Tax-Ex Money	MM
Dreyfus General Tax-Exempt Bond	MU
Dreyfus GNMA Fund	BD
Dreyfus Growth Opportunity Fund	ST
Dreyfus Index Fund	ST
Dreyfus Insured Tax-Exempt Bond	MU
Dreyfus Intermediate Tax-Ex Bond	MU
Dreyfus Leverage Fund	ST
Dreyfus Liquid Assets	MM
Dreyfus Massachusetts Tax-Ex Bond	MU
Dreyfus MM Instruments–Govt Secs	MM
Dreyfus New Leaders Fund	ST
Dreyfus New York Insured T-E Bond	MU
Dreyfus NY Tax-Exempt Bond Fund	MU
Dreyfus NY Tax-Ex Intermed Bond	MU
Dreyfus New York Tax-Exempt MM	MM
Dreyfus Short-Intermediate Tax-Ex	MU
Dreyfus Strategic Aggressive Inv LP	ST
Dreyfus Strategic Income	BD
Dreyfus Strategic Investing	ST
Dreyfus Strategic World Investing LP	FO
Dreyfus Tax-Exempt Bond Fund	MU
Dreyfus Tax-Exempt Money Market	MM
Dreyfus Third Century Fund	ST
Dreyfus US Govt Intermed Secs LP	BD
First Lakeshore Diversified Asset	BA
First Lakeshore T-E Money Market	MM
General Money Market Fund	MM
General NY Tax-Ex Intermed Bond	MU
General Tax-Exempt Money Market	MM
Westwood Fund	ST
Eaton Vance Distributors 24 Federal Street Boston, MA 02110 (617) 482-8260 (local) (800) 225-6265 (out of state) Exchange privilege: Yes	
Eaton & Howard Stock Fund	ST
Eaton Vance California Municipals	MU
Eaton Vance Government Oblig	BD
Eaton Vance Growth Fund	ST
Eaton Vance High Income Trust	BA
Eaton Vance High Yield	BD
Eaton Vance High Yield Municipals	MU
Eaton Vance Income Fund of Boston	BA
Eaton Vance Investors Fund	BA
Eaton Vance Muni Bond Fund	MU
Eaton Vance Special Equities Fund	ST
Eaton Vance Tax-Free Reserves	MM
Eaton Vance Total Return Trust	ST
Leverage Fund of Boston	ST
Nautilus Fund	ST
Vance, Sanders Special Fund	ST
Eclipse Financial Services PO Box 2196 Peachtree City, GA 30269 (404) 631-0414 (local) (800) 872-2710 (out of state) Exchange privilege: No	
Eclipse Equity Fund	ST

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Distributor	Type of fund
Enterprise Fund Distributors 250 Piedmont Avenue NE Suite 102 Atlanta, GA 30365 (404) 521-6545* (local) (800) 367-6536 (nationwide) Exchange privilege: Yes	
Enterprise Group–Growth	ST
EQSF Advisers 767 Third Avenue 5th Floor New York, NY 10017 (212) 888-6685 (local) (800) 834-3400 (out of state) Exchange privilege: No	
Equity Strategies Fund	ST
Equitec Securities PO Box 2470 Oakland, CA 94614 (800) 445-9052 (local) (800) 445-9020 (out of state) Exchange privilege: Yes	
Equitec Siebel Aggressive Growth	ST
Equitec Siebel High Yield Bond Fund	BD
Equitec Siebel Total Return Fund	ST
Equitec Siebel US Government Secs	BD
Equity Services National Life Drive Montpelier, VT 05604 (802) 229-3900 (local) (800) 233-4332 (out of state) Exchange privilege: Yes	
Sentinel Balanced Fund	BA
Sentinel Bond Fund	BD
Sentinel Common Stock Fund	ST
Sentinel Government Securities Fund	BD
Sentinel Growth Fund	ST
Fahnestock & Co 110 Wall Street New York, NY 10005 (212) 668-8000 (local) (800) 221-5588 (out of state) Exchange privilege: Yes	
Eagle Growth Shares	ST
Philadelphia Fund	ST
Fairfield Group 200 Gibraltar Road Horsham, PA 19044 (800) 222-3429 (local) (800) 441-3885 (out of state) Exchange privilege: Yes	
St Clair Equity–Capital Growth Fund	ST
St Clair Tax-Free–Money Market	MM
Viking Equity Index Fund–General	ST
Fairmont Fund 1346 South Third Street Louisville, KY 40208 (502) 636-5633 (local) (800) 262-9936 (out of state) Exchange privilege: Yes	
Fairmont Fund	ST
FBL Investment Advisory Services 5400 University Avenue West Des Moines, IA 50265 (800) 422-3175 (local) (800) 247-4170 (out of state) Exchange privilege: Yes	
FBL–Growth Common Stock	ST
Federated Securities Corp Federated Tower Pittsburgh, PA 15222-3779 (412) 288-1900* (local) (800) 245-2423 (out of state) Exchange privilege: Yes	
American Leaders Fund	ST
Convertible Securities & Income	BA
Federated Floating Rate Trust	BD
Federated GNMA Trust	BD
Federated Growth Trust	ST
Federated High Income Securities	BD
Federated High Quality Stock Fund	ST
Federated High Yield Trust	BD
Federated Income Trust	BD
Federated Intermediate Government	BD
Federated Intermediate Municipal	MU
Federated Short-Intermed Govt	BD
Federated Stock & Bond Fund	BA
Federated Stock Trust	ST
Federated Tax-Free Income Fund	MU
Federated Tax-Free Trust	MM
Federated Utility Trust	ST
Fortress High Yield Tax-Free Fund	MU
FT International	FO
Fund for US Govt Securities	BD
Government Income Securities	BD
Liberty US Govt Money Market	MM
AT Ohio Tax-Free Money Fund	MM
Progressive Income Equity	ST
Tax-Free Instruments Trust	MM
Fidelity Distributors Corp PO Box 193 Boston, MA 02101 (617) 523-1919* (local) (800) 544-6666 (out of state) Exchange privilege: Yes	
Fidelity Balanced Fund	BA
Fidelity Calif Tax-Free–High Yield	MU
Fidelity Calif Tax-Free–Insured	MU
Fidelity Calif Tax-Free–MM	MM
Fidelity Capital Appreciation	ST
Fidelity Cash Reserves	MM
Fidelity Contrafund	ST
Fidelity Convertible Securities Fund	BA
Fidelity Daily Income Trust	MM
Fidelity Destiny Portfolio I	ST
Fidelity Destiny Portfolio II	ST
Fidelity Equity-Income Fund	ST
Fidelity Europe Fund	FO
Fidelity Flexible Bond Fund	BD
Fidelity Freedom Fund	ST
Fidelity Fund	ST
Fidelity Ginnie Mae	BD
Fidelity Global Bond Fund	FO
Fidelity Government Securities Fund	BD
Fidelity Growth & Income	ST
Fidelity Growth Company	ST
Fidelity High Income Fund	BD
Fidelity Intermediate Bond Fund	BD
Fidelity International Growth & Inc	FO
Fidelity Magellan Fund	ST
Fidelity Mass Tax-Free–High Yield	MU
Fidelity Mass Tax-Free–MM	MM
Fidelity Mortgage Securities	BD
Fidelity NY Tax-Free–High Yield	MU
Fidelity NY Tax-Free–Insured	MU
Fidelity NY Tax-Free–Money Market	MM
Fidelity OTC Portfolio	ST
Fidelity Overseas Fund	FO
Fidelity Pacific Basin Fund	FO
Fidelity Pennsylvania T-F–Hi Yld	MU
Fidelity Pennsylvania T-F–MM	MM
Fidelity Plymouth–Income & Grow	ST
Fidelity Puritan Fund	BA
Fidelity Real Estate Investment	ST
Fidelity Select–Air Transportation	ST
Fidelity Select–American Gold	ST
Fidelity Select–Automation Mach	ST
Fidelity Select–Automotive	ST
Fidelity Select–Biotechnology	ST
Fidelity Select–Broadcast & Media	ST
Fidelity Select–Brokerage & Inv	ST
Fidelity Select–Capital Goods	ST
Fidelity Select–Chemicals	ST
Fidelity Select–Computers	ST
Fidelity Select–Defense & Aero	ST
Fidelity Select–Electric Utilities	ST
Fidelity Select–Electronics	ST
Fidelity Select–Energy	ST
Fidelity Select–Energy Service	ST
Fidelity Select–Financial Services	ST
Fidelity Select–Food & Agriculture	ST
Fidelity Select–Health Care	ST
Fidelity Select–Housing	ST
Fidelity Select–Industrial Materials	ST
Fidelity Select–Leisure	ST
Fidelity Select–Medical Delivery	ST
Fidelity Select–Money Market	MM
Fidelity Select–Paper & Forest Prod	ST
Fidelity Select–Prec Metals & Mins	ST
Fidelity Select–Prop & Casualty	ST
Fidelity Select–Regional Banks	ST
Fidelity Select–Retailing	ST
Fidelity Select–Savings & Loan	ST
Fidelity Select–Software & Computer	ST
Fidelity Select–Technology	ST
Fidelity Select–Telecommunications	ST
Fidelity Select–Utilities	ST
Fidelity Short-Term Bond	BD
Fidelity Special Situations–Initial	ST
Fidelity Special Situations–Plymouth	ST
Fidelity State Tax-Free–Michigan	MU
Fidelity State Tax-Free–Minnesota	MU
Fidelity State Tax-Free–Ohio	MU
Fidelity Tax-Exempt–Money Market	MM
Fidelity Tax-Free–Aggressive	MU
Fidelity Tax-Free–High Yield	MU
Fidelity Tax-Free–Insured	MU
Fidelity Tax-Free–Ltd Term Munis	MU
Fidelity Tax-Free–Municipal Bond	MU
Fidelity Tax-Free–Short-Term	MU
Fidelity Texas Tax-Free	MU
Fidelity Trend Fund	ST
Fidelity US Government Reserves	MM
Fidelity Value Fund	ST
Fiduciary Investment Co 230 South Tryon Street Suite 345 Charlotte, NC 28202 (704) 331-0710* (local) (800) 527-1578 (out of state) Exchange privilege: No	
Salem Funds–Growth	ST

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Fund Distributors

Distributor	Type of fund
Fiduciary Management 222 East Mason Street Milwaukee, WI 53202 (414) 271-6666* (local) Exchange privilege: No	
Fiduciary Capital Growth Fund	ST
Financial Programs PO Box 2040 Denver, CO 80201 (800) 525-9769 (local) (800) 525-8085 (out of state) Exchange privilege: Yes	
Financial Bond Shares–High Yield	BD
Financial Dynamics Fund	ST
Financial Industrial Fund	ST
Financial Industrial Income Fund	ST
Financial Strategic–Energy	ST
Financial Strategic–European	FO
Financial Strategic–Gold	ST
Financial Strategic–Health Science	ST
Financial Strategic–Leisure	ST
Financial Strategic–Pacific Basin	FO
Financial Strategic–Technology	ST
Financial Strategic–Utilities	ST
Financial Tax-Free Income Shares	MU
Financial Tax-Free Money Fund	MM
First Eagle Fund of America 45 Broadway New York, NY 10006 (212) 943-9200* (local) (800) 451-3623 (out of state) Exchange privilege: No	
First Eagle Fund of America	ST
First Investors Management Co 10 Woodbridge Center Drive Woodbridge, NJ 07095 (212) 208-6000 (local) (800) 423-4026 (out of state) Exchange privilege: Yes	
First Investors Bond Appreciation	BD
First Investors Discovery Fund	ST
First Investors Fund for Growth	ST
First Investors Fund for Income	BD
First Investors Government Fund	BD
First Investors High Yield Fund	BD
First Investors International Secs	FO
First Investors New York Tax-Free	MU
First Investors Option Fund	ST
First Investors Tax-Exempt Fund	MU
First Investors Tax-Exempt MM	MM
First Investors Value Fund	ST
Flagship Financial One First National Plaza Suite 910 Dayton, OH 45402 (800) 354-7447 (local) (800) 227-4648 (out of state) Exchange privilege: Yes	
Flagship Tax-Ex–Arizona Double	MU
Flagship Tax-Ex–Georgia Double	MU
Flagship Tax-Ex–Kentucky Triple	MU
Flagship Tax-Exempt–Mich Triple	MU
Flagship Tax-Exempt–NC Triple	MU
Flagship Tax-Exempt–Ohio Double	MU
Flagship Tax-Exempt–Penn Triple	MU
Flagship Tax-Exempt–Va Double	MU
Flex Funds PO Box 7177 Dublin, OH 43017 (614) 766-7000* (local) (800) 325-3539 (out of state) Exchange privilege: Yes	
Flex-funds–Growth Fund	ST
Flex-funds–Income & Growth Fund	ST
Flex-funds–Retirement Growth	ST
44 Securities 630 Third Avenue New York, NY 10017 (212) 808-5220 (local) (800) 221-7836 (out of state) Exchange privilege: Yes	
44 Wall Street Equity Fund	ST
44 Wall Street Fund	ST
Founders Mutual Depositor Corp 3033 East First Avenue Suite 810 Denver, CO 80206 (800) 874-6301 (local) (800) 525-2440 (out of state) Exchange privilege: Yes	
Founders Blue Chip	ST
Founders Equity Income Fund	ST
Founders Frontier Fund	ST
Founders Growth Fund	ST
Founders Special Fund	ST
Franklin Distributors 777 Mariner's Island Boulevard San Mateo, CA 94404-1585 (800) 342-5236 (local) (800) 632-2180 (out of state) Exchange privilege: Yes	
Franklin AGE High Income Fund	BD
Franklin Calif Insured Tax-Free Inc	MU
Franklin Calif Tax-Exempt Money	MM
Franklin Calif Tax-Free Income	MU
Franklin DynaTech Fund	ST
Franklin Equity Fund	ST
Franklin Federal Tax-Free Income	MU
Franklin Gold Fund	FO
Franklin Growth Fund	ST
Franklin High Yield Tax-Free Income	MU
Franklin Income Fund	BA
Franklin Insured Tax-Free Income	MU
Franklin Managed Trust Rising Divs	ST
Franklin Mass Insured Tax-Free Inc	MU
Franklin Mich Insured Tax-Free Inc	MU
Franklin Minn Insured Tax-Free Inc	MU
Franklin Money Fund	MM
Franklin New York Tax-Ex Money	MM
Franklin New York Tax-Free Income	MU
Franklin Ohio Insured Tax-Free Inc	MU
Franklin Option Fund	ST
Franklin Pennsylvania Tax-Free Inc	MU
Franklin PR Tax-Free Income Fund	MU
Franklin Short-Intermed US Govt	BD
Franklin Tax-Advant US Govt Secs	BD
Franklin Tax-Exempt Money Fund	MM
Franklin US Government Securities	BD
Franklin Utilities Fund	ST
Fundamental Services 111 Broadway Suite 1107 New York, NY 10006 (212) 608-6864* (local) (800) 277-1549 (out of state) Exchange privilege: Yes	
New York Muni Fund	MU
Furman Selz Mager Dietz & Birney 230 Park Avenue New York, NY 10169 (212) 309-8400* (local) (800) 845-8406 (out of state) Exchange privilege: Yes	
FFB Tax-Free Money Market Fund	MM
FS Government Securities Income	BD
Fund Source–International Equity	FO
FundTrust–Aggressive Growth	ST
FundTrust–Growth	ST
FundTrust–Growth & Income	BA
FundTrust–Income	BD
Gabelli & Company PO Box 1634 Grand Central Station New York, NY 10163 (212) 490-3670 (local) (800) 422-3554 (out of state) Exchange privilege: No	
Gabelli Asset Fund	ST
Gabelli Growth Fund	ST
GAM Funds PO Box 2798 Boston, MA 02108 (617) 482-9300* (local) (800) 356-5740 (out of state) Exchange privilege: Yes	
GAM Global Fund	FO
GAM International Fund	FO
GAM Pacific Basin Fund	FO
Gateway Investment Advisers 400 TechneCenter Drive Suite 220 Milford, OH 45150 (513) 248-2700* (local) (800) 354-6339 (out of state) Exchange privilege: Yes	
Gateway Option Index Fund	ST
Gintel & Co Greenwich Office Park #6 Greenwich, CT 06830 (203) 622-6400 (local) (800) 243-5808 (out of state) Exchange privilege: Yes	
Gintel Capital Appreciation Fund	ST
Gintel ERISA Fund	ST
Gintel Fund	ST
GIT Investment Services 1655 North Fort Myer Drive Arlington, VA 22209 (800) 336-3063 (nationwide) Exchange privilege: Yes	
GIT Equity Trust–Special Growth	ST
GIT Tax-Free Trust–High Yield	MU

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Distributor	Type of fund
Global Capital Investors 1270 Avenue of the Americas New York, NY 10020 (212) 956-7030* (local) (800) 822-8252 (out of state) Exchange privilege: Yes	
Hidden Strength–Growth	ST
Hidden Strength–Mod Asset Alloc	BA
Hidden Strength–US Govt High Yield	BD
Gradison & Co 580 Walnut Street Cincinnati, OH 45202 (800) 582-7062 (local) (800) 543-1818 (out of state) Exchange privilege: Yes	
Gradison Established Growth Fund	ST
Gradison Opportunity Growth Fund	ST
Greenspring Fund Suite 322 The Quadrangle Village of Cross Keys Baltimore, MD 21210 (301) 435-9000 (local) Exchange privilege: No	
Greenspring Fund	ST
Growth Industry Shares 135 South LaSalle Street Chicago, IL 60603 (312) 346-4830 (local) (800) 635-2886 (out of state) Exchange privilege: No	
Growth Industry Shares	ST
GT Global Financial Services 50 California Street Suite 2700 San Francisco, CA 94111-4624 (415) 392-6181* (local) (800) 824-1580 (out of state) Exchange privilege: Yes	
GT Global Europe	FO
GT Global Worldwide	FO
GT Global International	FO
GT Global Japan	FO
GT Global Pacific	FO
Guardian Investor Services Corp 201 Park Avenue South New York, NY 10003 (800) 221-3253 (nationwide) Exchange privilege: Yes	
Guardian Park Ave Fund	ST
John Hancock Advisors 101 Huntington Avenue Boston, MA 02199 (617) 572-4210 (local) (800) 225-5291 (out of state) Exchange privilege: Yes	
John Hancock Bond Trust	BD
John Hancock Global Trust	FO
John Hancock Growth Trust	ST
John Hancock High Inc–Fed Secs	BD
John Hancock High Inc–Fixed Inc	BD
John Hancock Special Equities Trust	ST
John Hancock Tax-Exempt Income	MU
John Hancock US Govt Guar Mort	BD
John Hancock US Govt Securities	BD
Harbor Capital Funds One SeaGate Toledo, OH 43666 (800) 422-1065 (local) (800) 422-1050 (out of state) Exchange privilege: No	
Harbor Growth Fund	ST
Hartwell Funds 515 Madison Avenue New York, NY 10022 (212) 308-3355 (local) (800) 645-6405 (out of state) Exchange privilege: No	
Hartwell Emerging Growth	ST
Hartwell Growth Fund	ST
Heine Management Group PO Box 830 Westport, CT 06881 (800) 522-2564 (local) (800) 422-2564 (out of state) Exchange privilege: No	
LMH Fund	ST
Heine Securities 51 John F Kennedy Parkway Short Hills, NJ 07078 (201) 912-2100* (local) (800) 448-3863 (out of state) Exchange privilege: Yes	
Mutual Series Fund–Beacon	ST
Mutual Series Fund–Mutual Shares	ST
Mutual Series Fund–Qualified	ST
Wayne Hummer & Co 175 West Jackson Boulevard Chicago, IL 60604 (800) 972-5566 (local) (800) 621-4477 (out of state) Exchange privilege: Yes	
Wayne Hummer Growth Fund	ST
Huntington Investments 251 South Lake Avenue Suite 600 Pasadena, CA 91101 (818) 440-9688* (local) (800) 232-3310 (out of state) Exchange privilege: No	
International Cash-Global	FO
IAI Funds PO Box 357 Minneapolis, MN 55440 (612) 371-2884 (local) Exchange privilege: Yes	
IAI Apollo	ST
IAI Bond Fund	BD
IAI International Fund	FO
IAI Regional Fund	ST
IAI Reserve Fund	BD
IAI Stock Fund	ST
Idex Management PO Box 5068 Clearwater, FL 33518 (813) 585-6565 (local) (800) 237-3055 (out of state) Exchange privilege: Yes	
IDEX Fund	ST
IDEX II	ST
Idex Fund III	ST
IDS Financial Services IDS Tower 10 Minneapolis, MN 55440 (612) 372-3733 (local) (800) 328-8300 (out of state) Exchange privilege: Yes	
IDS Bond Fund	BD
IDS California Tax-Exempt Fund	MU
IDS Cash Management Fund	MM
IDS Discovery Fund	ST
IDS Equity Plus	ST
IDS Extra Income Fund	BD
IDS Federal Income Fund	BD
IDS Growth Fund	ST
IDS High Yield Tax-Exempt Fund	MU
IDS Insured Tax-Exempt Fund	MU
IDS International Fund	FO
IDS Managed Retirement Fund	ST
IDS Minnesota Tax-Exempt Fund	MU
IDS Mutual	BA
IDS New Dimensions Fund	ST
IDS New York Tax-Exempt Fund	MU
IDS Precious Metals Fund	ST
IDS Progressive Fund	ST
IDS Selective Fund	BD
IDS Stock Fund	ST
IDS Strategy–Aggressive Equity	ST
IDS Strategy–Equity	ST
IDS Strategy–Income	BD
IDS Strategy–Pan Pacific Growth	FO
IDS Tax-Exempt Bond Fund	MU
IDS Tax-Free Money Fund	MM
Integrated Resources Asset Mgmt 666 Third Avenue New York, NY 10017 (212) 551-6700 (local) (800) 232-1230 (out of state) Exchange privilege: Yes	
Home Investors Govt Guaranteed Inc	BD
Integrated Capital Appreciation Fund	ST
Integrated Equity–Aggressive Growth	ST
Integrated Equity–Growth	ST
Integrated Income–Convertible Secs	BA
Integrated Income–Govt Secs Plus	BD
Integrated Income–Income Plus	BD
Integrated Tax-Free–Stripes	MU
International Heritage 101 Summer Street Boston, MA 02110 (617) 482-8757 (local) (800) 445-0141 (out of state) Exchange privilege: Yes	
International Heritage–High Yield	BD
Omega Fund	ST

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Fund Distributors

Distributor	Type of fund
Interstate Capital Growth Fund 2700 NCNB Plaza Charlotte, NC 28280 (803) 235-1307* (local) (800) 289-2580 (out of state) Exchange privilege: No	
Interstate Capital Growth Fund	ST
Investors Management Group 418 Sixth Avenue Des Moines, IA 50309 (515) 244-5426 (local) Exchange privilege: Yes	
IMG Stock Accumulation Fund	ST
Investors Security Trust 110 Bank Street Suffolk, VA 23434 (804) 539-2396* (local) Exchange privilege: No	
Old Dominion Investors' Trust	ST
IRI Securities One Appleton Square Minneapolis, MN 55425 (612) 853-9500* (local) (800) 328-1010 (out of state) Exchange privilege: No	
IRI Stock Fund	ST
Midas Gold Shares & Bullion	ST
ITB Distributors 399 Boylston Street Boston, MA 02117 (617) 578-1388* (local) (800) 888-4823 (out of state) Exchange privilege: Yes	
Empire Builder Tax-Free Bond Fund	MU
Investment Trust of Boston	ST
Inv Trust of Boston–Mass T-F Inc	MU
Ivy Fund 40 Industrial Park Road Hingham, MA 02043 (800) 235-3322 (nationwide) Exchange privilege: Yes	
Ivy Growth Fund	ST
Ivy International Fund	FO
Raymond James & Associates 880 Carillon Parkway St Petersburg, FL 33716 (800) 248-8863 (local) (800) 237-7591 (out of state) Exchange privilege: Yes	
Heritage Capital Appreciation	ST
Janus Capital 100 Fillmore Street Suite 300 Denver, CO 80206 (303) 333-3863* (local) (800) 525-3713 (out of state) Exchange privilege: Yes	
Janus Fund	ST
Janus Value Fund	ST
Janus Venture Fund	ST
Jefferson-Pilot Investor Services PO Box 22086 Greensboro, NC 27420 (919) 378-2451 (local) (800) 458-4498 (out of state) Exchange privilege: Yes	
JP Growth Fund	ST
Jones & Babson 2440 Pershing Road Kansas City, MO 64108 (816) 471-5200* (local) (800) 821-5591 (out of state) Exchange privilege: Yes	
Babson Bond Trust–Long-Term	BD
Babson Enterprise Fund	ST
Babson Growth Fund	ST
Babson Value Fund	ST
UMB Bond Fund	BD
UMB Stock Fund	ST
UMB Tax-Free Money Market	MM
Edward D Jones & Co 201 Progress Parkway Maryland Heights, MO 63043 (314) 851-2000* (local) Exchange privilege: No	
ED Jones Daily Passport Cash Trust	MM
Keefer Capital Management 50 Monument Square Portland, ME 04101 (207) 879-1900 (local) Exchange privilege: No	
Warburg International Fund	FO
Kemper Financial Services 120 South LaSalle Street Chicago, IL 60603 (312) 781-1121* (local) (800) 621-1048 (out of state) Exchange privilege: Yes	
Cash Equivalent Fund–Govt	MM
Cash Equivalent Fund–MM	MM
Investment Portfolios–Equity	ST
Investment Portfolios–Govt Plus	BD
Investment Portfolios–High Yield	BD
Investment Portfolios–Option Inc	ST
Investment Portfolios–Total Return	BA
Kemper California Tax-Free Income	MU
Kemper Growth Fund	ST
Kemper High Yield Fund	BD
Kemper Income & Capital Preserv	BD
Kemper International Fund	FO
Kemper Money Market Fund–MM	MM
Kemper Municipal Bond Fund	MU
Kemper Option Income Fund	ST
Kemper Summit Fund	ST
Kemper Total Return Fund	BA
Kemper US Government Securities	BD
Tax-Exempt California MM	MM
Tax-Exempt Money Market Fund	MM
Technology Fund	ST
Keystone Distributors 99 High Street Boston, MA 02110 (617) 338-3400 (local) (800) 225-2618 (out of state) Exchange privilege: Yes	
Keystone America Equity Income	ST
Keystone America Government Secs	BD
Keystone America High Yield Bond	BD
Keystone America Inv Grade Bond	BD
Keystone America Tax-Free Income	MU
Keystone Custodian B-1	BD
Keystone Custodian B-2	BD
Keystone Custodian B-4	BD
Keystone Custodian K-1	BA
Keystone Custodian K-2	ST
Keystone Custodian S-1	ST
Keystone Custodian S-3	ST
Keystone Custodian S-4	ST
Keystone International Fund	FO
Keystone Precious Metals	FO
Keystone Tax-Exempt Trust	MU
Keystone Tax-Free Fund	MU
Kidder, Peabody & Co 10 Hanover Square New York, NY 10005 (212) 510-5028* (local) Exchange privilege: Yes	
Kidder, Peabody Equity Income	ST
Kidder, Peabody Government Income	BD
Kidder, Peabody MarketGuard Apprec	ST
Kidder, Peabody Premium Account	MM
Kidder, Peabody Special Growth Fund	ST
Kidder, Peabody Tax-Exempt MM	MM
Webster Cash Reserve Fund	MM
Kleinwort Benson International Inv 200 Park Avenue New York, NY 10166 (212) 983-4000 (local) (800) 233-9164 (out of state) Exchange privilege: No	
Kleinwort Benson–Transatlantic Gr	FO
Michael W Lamb & Associates 1001 East 101st Terrace Kansas City, MO 64131 (816) 941-7990* (local) Exchange privilege: No	
Wealth Monitors Fund	ST
Landmark Funds Broker Dealer Svcs 200 Berkeley Street Boston, MA 02116 (617) 423-1679* (local) (800) 343-2829 (out of state) Exchange privilege: Yes	
Landmark Capital Growth Fund	ST
Landmark Growth & Income Fund	ST
Landmark New York T-F Income	MU
Landmark New York T-F Reserves	MM
Landmark Tax-Free Reserves	MM
Landmark US Government Income	BD

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Distributor	Type of fund
Lazard Frères & Co One Rockefeller Plaza New York, NY 10020 (212) 957-5343* (local) (800) 854-8525 (out of state) Exchange privilege: Yes	
Lazard Frères–Equity Fund	ST
Lazard Frères–Tax-Free MM	MM
Legg Mason Wood Walker PO Box 1476 Baltimore, MD 21203 (301) 539-3400 (local) (800) 368-2558 (out of state) Exchange privilege: Yes	
Legg Mason Special Investment Trust	ST
Legg Mason Tax-Exempt Trust	MM
Legg Mason Total Return Trust	ST
Legg Mason Value Trust	ST
Lepercq-Istel Trust 345 Park Avenue New York, NY 10154 (212) 702-0174* (local) (800) 548-7878 (out of state) Exchange privilege: Yes	
Lepercq-Istel Fund	ST
Lexington Management Corp PO Box 1515 Saddle Brook, NJ 07662 (201) 845-7300* (local) (800) 526-0056 (out of state) Exchange privilege: Yes	
Corp Leaders Tr Fund Cert Ser B	ST
Lexington Global Fund	FO
Lexington GNMA Income Fund	BD
Lexington Goldfund	ST
Lexington Growth Fund	ST
Lexington Research Fund	ST
Lexington Tax-Free Money Fund	MM
Liberty Investment Services PO Box 9146 Boston, MA 02205 (800) 542-3863 (nationwide) Exchange privilege: Yes	
Liberty Mutual US Govt Guar Inc	BD
Lieber & Co 550 Mamaroneck Avenue Harrison, NY 10528 (914) 698-5711* (local) (800) 235-0064 (out of state) Exchange privilege: Yes	
Evergreen Fund	ST
Evergreen Total Return Fund	ST
Evergreen Value Timing Fund	ST
Lincoln Investment Planning 218 Glenside Avenue Wyncote, PA 19095-1595 (800) 222-3317 (local) (800) 242-1421 (out of state) Exchange privilege: Yes	-
Rightime Fund	ST

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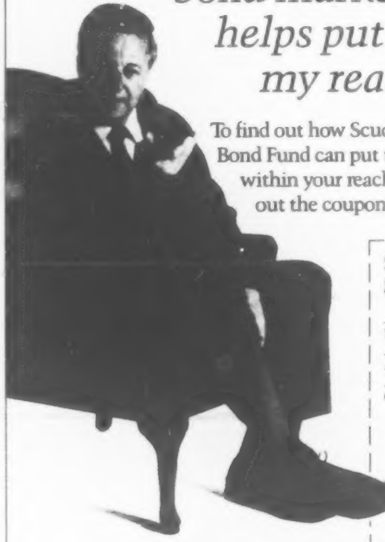

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Fund Distributors

Distributor	Type of fund
Lindner Management Corp PO Box 11208 St Louis, MO 63105 (314) 727-5305 (local) Exchange privilege: No	
Lindner Dividend Fund	ST
Lindner Fund	ST
Lord Abbett & Co 767 Fifth Avenue New York, NY 10153 (212) 848-1800* (local) (800) 223-4224 (out of state) Exchange privilege: Yes	
Affiliated Fund	ST
Lord Abbett Bond-Debenture Fund	BD
Lord Abbett California Tax-Free Inc	MU
Lord Abbett Developing Growth	ST
Lord Abbett Fundamental Value	ST
Lord Abbett Tax-Free–National	MU
Lord Abbett Tax-Free–New York	MU
Lord Abbett US Government Secs	BD
Lord Abbett Value Appreciation	ST
Lutheran Brotherhood Securities 625 Fourth Avenue South Minneapolis, MN 55419 (216) 339-8091 (local) (800) 328-4552 (out of state) Exchange privilege: Yes	
Lutheran Brotherhood Fund	ST
Lutheran Brotherhood High Yield	BD
Lutheran Brotherhood Income Fund	BD
Lutheran Brotherhood Muni Bond	MU
Mackenzie Investment Management 1665 Palm Lake Boulevard Suite 604 West Palm Beach, FL 33401 (800) 824-6067 (local) (800) 222-2274 (out of state) Exchange privilege: Yes	
Industrial–Mackenzie American	ST
Industrial–Mackenzie Option Income	BA
Madison Investment Advisors 6411 Mineral Point Road Madison, WI 53705 (608) 273-2020* (nationwide) Exchange privilege: No	
Bascom Hill Balanced Fund	BA
Bascom Hill Investors	ST
Mairs & Power W-2062 First National Bank Building St Paul, MN 55101 (612) 222-8478 (nationwide) Exchange privilege: No	
Mairs & Power Growth Fund	ST
Mairs & Power Income Fund	ST
Horace Mann Growth Fund One Horace Mann Plaza Springfield, IL 62715 (217) 789-2500 (local) (800) 832-2437 (out of state) Exchange privilege: Yes	
Horace Mann Growth Fund	ST
Mass Mutual Life Insurance 1295 State Street Springfield, MA 01111 (800) 451-1712 (local) (800) 343-1714 (out of state) Exchange privilege: Yes	
MassMutual Integrity–Invest Grade	BD
Massachusetts Financial Services 200 Berkeley Street Boston, MA 02116 (617) 423-3500* (local) (800) 225-2606 (out of state) Exchange privilege: Yes	
Mass Capital Development Fund	ST
Mass Cash Management–Prime	MM
Mass Financial Bond Fund	BD
Mass Financial Development Fund	ST
Mass Financial Emerging Growth	ST
Mass Financial High Income–Series I	BD
Mass Financial Intl-Bond	FO
Mass Financial Special Fund	ST
Mass Financial Total Return Trust	BA
Mass Investors Growth Stock Fund	ST
Mass Investors Trust	ST
MFS Government Guaranteed Secs	BD
MFS Government Securities Hi Yld	BD
MFS Lifetime Capital Growth Trust	ST
MFS Lifetime Dividends Plus Trust	ST
MFS Lifetime Emerging Growth	ST
MFS Lifetime Global Equity Trust	FO
MFS Lifetime Government Inc Plus	BD
MFS Lifetime High Income Trust	BD
MFS Lifetime Managed Muni Bond	BD
MFS Lifetime Managed Sectors Trust	ST
MFS Managed California Tax-Exempt	MU
MFS Managed High Yield Muni Bond	MU
MFS Managed M-S Tax-Exempt–Md	MU
MFS Managed M-S Tax-Ex–Mass	MU
MFS Managed M-S Tax-Exempt–NC	MU
MFS Managed M-S Tax-Exempt–SC	MU
MFS Managed M-S Tax-Exempt–Va	MU
MFS Managed M-S Tax-Ex–W Va	MU
MFS Managed Muni Bond Trust	MU
MFS Managed Sectors Trust	ST
Mathers Fund 100 Corporate North Suite 201 Bannockburn, IL 60015 (312) 295-7400* (local) (800) 962-3863 (out of state) Exchange privilege: No	
Mathers Fund	ST
McDonald & Co Securities 2100 Society Building Cleveland, OH 44114 (216) 443-2300 (local) (800) 888-1099 (out of state) Exchange privilege: Yes	
McDonald Tax-Exempt MM	MM
Meeschaert & Co 28 Hill Farm Road St Johnsbury, VT 05819 (802) 748-2400 (local) Exchange privilege: No	
Meeschaert Capital Accumulation	ST
Meeschaert Gold and Currency	ST
Mercer Allied Corp One Wall Street Albany, NY 12205 (518) 869-8744 (local) Exchange privilege: Yes	–
Ayco Fund–Risk	ST
Meridian Fund 60 East Sir Francis Drake Blvd Suite 306 Larkspur, CA 94939 (800) 445-5553 (local) (800) 446-6662 (out of state) Exchange privilege: No	
Meridian Fund	ST
Merrill Lynch Funds Boston One Financial Center 15th Floor Boston, MA 02111 (617) 357-1434 (local) (800) 225-1576 (out of state) Exchange privilege: Yes	
Merrill Lynch Government Fund	MM
Merrill Lynch Institutional Fund	MM
Merrill Lynch Funds Distributor PO Box 9011 Princeton, NJ 08543-9011 (609) 282-2800* (local) (800) 637-3863 (out of state) Exchange privilege: Yes	
Merrill Lynch Basic Value Fund	ST
Merrill Lynch California Tax-Exempt	MU
Merrill Lynch Capital Fund	ST
Merrill Lynch Corp–High Income	BD
Merrill Lynch Corp–High Quality	BD
Merrill Lynch Corp–Intermediate	BD
Merrill Lynch Equi-Bond I Fund	BA
Merrill Lynch EuroFund	FO
Merrill Lynch Federal Securities	BD
Merrill Lynch Fund for Tomorrow	ST
Merrill Lynch International Holdings	FO
Merrill Lynch Muni–High Yield	MU
Merrill Lynch Muni–Insured	MU
Merrill Lynch Muni–Ltd Maturity	MU
Merrill Lynch Municipal Income	MU
Merrill Lynch Natural Resources	ST
Merrill Lynch New York Muni Bond	MU
Merrill Lynch Pacific Fund	FO
Merrill Lynch Phoenix Fund	BA
Merrill Lynch Ready Assets Trust	MM
Merrill Lynch Retire Benefit Inv	BA
Merrill Lynch Retire Equity	ST
Merrill Lynch Retire Global Bond	FO
Merrill Lynch Retire/Income Fund	BD
Merrill Lynch Retire Reserves Money	MM
Merrill Lynch Special Value	ST
Sci/Tech Holdings	ST
Summit Cash Reserves Fund	MM
Merrill Lynch, Pierce, Fenner & Smith One Liberty Plaza 165 Broadway New York, NY 10080 (212) 637-5730 (local) Exchange privilege: Yes	
CMA Government Securities Fund	MM
CMA Money Fund	MM
CMA Tax-Exempt Fund	MM

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Distributor	Type of fund
Mesirow Investment Services 350 North Clark Street Chicago, IL 60610 (312) 670-6035 (local) (800) 458-5222 (nationwide) Exchange privilege: Yes	
Skyline Fund–Balanced	BA
Skyline Fund–Special Equities	ST
MetLife State Street Investment One Financial Center 30th Floor Boston, MA 02111 (617) 348-2000 (local) (800) 882-0052 (out of state) Exchange privilege: Yes	
MetLife-State Street Cap Apprec	ST
MetLife-State Street Equity Income	ST
MetLife-State Street Equity Inv	ST
MetLife-State Street Government Inc	BD
MetLife-State Street Govt Secs	BD
MetLife-State Street High Income	BD
MetLife-State Street High Inc T-E	MU
MGF Distributors 700 Dixie Terminal Building Cincinnati, OH 45202 (800) 582-7396 (local) (800) 543-8721 (out of state) Exchange privilege: Yes	
Financial Independence–Growth	ST
Financial Independence–US Govt	BD
Midwest Group Tax-Free–MM	MM
Midwest Income–Intermediate Govt	BD
MidAmerica Management 4333 Edgewood Road NE Cedar Rapids, IA 52499 (800) 342-4490 (local) (800) 553-4936 (out of state) Exchange privilege: Yes	
MidAmerica High Growth Fund	ST
MidAmerica Mutual Fund	ST
Midvale Securities Corp 11601 Wilshire Boulevard 24th Floor Los Angeles, CA 90025 (800) 225-9655 (local) (800) 545-4322 (out of state) Exchange privilege: Yes	
RNC Convertible Securities	BD
RNC Income Fund	BA
RNC Regency Fund	ST
RNC Westwind Fund	BA
Milwaukee Co 790 North Milwaukee Avenue Milwaukee, WI 53202 (800) 242-1001 (local) (800) 558-1015 (out of state) Exchange privilege: Yes	
Heartland Group–Value Fund	ST
Mimlic Sales Corp PO Box 64132 St Paul, MN 55101 (612) 228-4833 (local) (800) 443-3677 (out of state) Exchange privilege: Yes	
Mimlic Investors Fund I	ST

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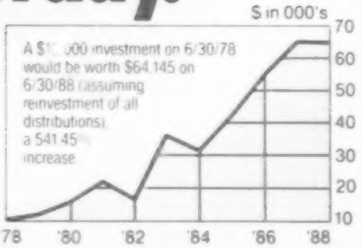

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Fund Distributors

Distributor	Type of fund
Morgan Keegan & Co 50 North Front Street Memphis, TN 38103 (901) 524-4100 (local) (800) 238-7127 (out of state) Exchange privilege: No	
Morgan Keegan Southern Capital	ST
Morgan Stanley & Co 1251 Avenue of the Americas New York, NY 10020 (212) 398-2900 (local) (800) 521-5412 (out of state) Exchange privilege: Yes	
Pierpont Capital Appreciation Fund	ST
Pierpont Equity Fund	ST
Pierpont Money Market	MM
Pierpont Tax-Exempt Bond Fund	MU
Pierpont Tax-Exempt Money Market	MM
Morison Securities 1201 Marquette Avenue Suite 400 Minneapolis, MN 55403 (612) 349-5600 (local) (800) 722-4393 (out of state) Exchange privilege: No	
Morison Asset Allocation Fund	ST
Murphey Favre West 601 Riverside Avenue Spokane, WA 99201 (509) 624-4101 (local) (800) 541-0830 (out of state) Exchange privilege: Yes	
Composite Bond & Stock Fund	BA
Composite Growth Fund	ST
Composite Income Fund	BD
Composite Select–Northwest	ST
Composite Select–Value	ST
Composite Tax-Exempt Bond Fund	MU
Composite US Govt Securities	BD
Mutual Benefit Financial Services Co 290 Westminster Street Providence, RI 02903 (401) 751-8600* (local) (800) 333-4726 (out of state) Exchange privilege: No	
Mutual Benefit Fund	ST
Mutual of Omaha Fund Management 10235 Regency Circle Omaha, NE 68114 (800).642 8112 (local) (800) 228-9596 (out of state) Exchange privilege: Yes	
Mutual of Omaha America Fund	BD
Mutual of Omaha Growth Fund	ST
Mutual of Omaha Income Fund	BA
Mutual of Omaha Tax-Free Income	MU
National Financial Data Service PO Box 26070 Kansas City, MO 64196-7070 (816) 283-1700 (local) (800) 225-8011 (out of state) Exchange privilege: No	
Neuwirth Fund	ST
Pine Street Fund	ST
Winthrop Focus Funds–Growth	ST
National Securities & Research Corp 605 Third Avenue New York, NY 10158-0054 (212) 661-3000* (local) (800) 223-7757 (out of state) Exchange privilege: Yes	
California Tax-Exempt Bonds	MU
Fairfield Fund	ST
National Bond Fund	BD
National Federal Securities Trust	BD
National Growth Fund	ST
National Real Estate–Stock Fund	ST
National Securities Tax-Ex Bonds	MU
National Stock Fund	ST
National Strategic Allocation Fund	BA
National Total Income Fund	BA
National Total Return Fund	BA
Nationwide Financial Services One Nationwide Plaza Columbus, OH 43216 (800) 282-1440 (local) (800) 848-0920 (out of state) Exchange privilege: Yes	
Nationwide Bond Fund	BD
Nationwide Fund	ST
Nationwide Growth Fund	ST
Nationwide Tax-Free Fund	MU
Neuberger & Berman Management 342 Madison Avenue New York, NY 10173 (212) 850-8300* (local) (800) 367-0770 (out of state) Exchange privilege: Yes	
Energy Fund	ST
Guardian Mutual Fund	ST
Manhattan Fund	ST
Neuberger & Berman Ltd Mat Bond	BD
Neuberger & Berman MM Plus	BD
Neuberger & Berman Muni Money	MM
Partners Fund	ST
New England Securities 399 Boylston Street Boston, MA 02117 (617) 267-6600 (local) (800) 343-7104 (out of state) Exchange privilege: Yes	
Loomis-Sayles Capital Development	ST
Loomis-Sayles Mutual Fund	BA
New England Bond Income Fund	BD
New England Cash Mgmt–MM	MM
New England Equity Income Fund	ST
New England Government Securities	BD
New England Growth Fund	ST
New England Retire Equity Fund	ST
New England Tax-Exempt Income	MU
New England Tax-Exempt MM	MM
Newton Fund PO Box 1348 Milwaukee, WI 53201 (414) 347-1141 (local) (800) 247-7039 (out of state) Exchange privilege: Yes	
Newton Growth Fund	ST
Nicholas Company 700 North Water Street Milwaukee, WI 53202 (414) 272-6133* (local) (800) 227-5987 (out of state) Exchange privilege: Yes	
Nicholas Fund	ST
Nicholas II	ST
Nicholas Income Fund	BD
Nicholas Limited Edition	ST
Noddings Asset Management 2 MidAmerica Plaza Suite 920 Oakbrook Terrace, IL 60181 (800) 544-7785 (nationwide) Exchange privilege: No	
Noddings Convertible Strategies	BA
Nomura Capital Management 180 Maiden Lane New York, NY 10038 (212) 208-9300 (local) (800) 833-0018 (out of state) Exchange privilege: Yes	
Nomura Pacific Basin Fund	FO
Northeast Investors Trust 50 Congress Street Boston, MA 02109 (617) 523-3588 (local) (800) 225-6704 (out of state) Exchange privilege: Yes	
Northeast Investors Growth	ST
Northeast Investors Trust	BD
Nova Distributors 260 Franklin Street Boston, MA 02110 (800) 572-0006 (nationwide) Exchange privilege: Yes	
Nova Fund	ST
John Nuveen & Co 333 West Wacker Drive Chicago, IL 60606 (800) 621-7210 (nationwide) Exchange privilege: Yes	
Nuveen California Tax-Free–MM	MM
Nuveen California T-F–Spec Bond	MU
Nuveen Insured Tax-Free Bond–Natl	MU
Nuveen Municipal Bond Fund	MU
Nuveen Tax-Exempt Money Market	MM
Nuveen Tax-Free MM–Mass	MM
Nuveen Tax-Free Reserves	MM
NYLife Securities 51 Madison Avenue New York, NY 10010 (800) 848-3863 (local) Exchange privilege: Yes	
MacKay-Shields MainStay–Cap Ap	ST
MacKay-Shields MainStay–Convert	BA
MacKay-Shields MainStay–Global	FO
MacKay-Shields MainStay–Govt Plus	BD
MacKay-Shields MainStay–H-Y Corp	BD
MacKay-Shields MainStay–T-F Bond	MU
MacKay-Shields MainStay–Value	ST

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Distributor	Type of fund
Oberweis Emerging Growth 841 North Lake Street Aurora, IL 60506 (800) 942-0850 (local) (800) 323-6166 (out of state) Exchange privilege: No	
Oberweis Emerging Growth	ST
Ohio Company 155 East Broad Street Columbus, OH 43215 (614) 464-6852 (local) (800) 848-7734 (out of state) Exchange privilege: Yes	
Cardinal Fund	ST
Cardinal Government Guaranteed	BD
Cardinal Tax-Exempt Money Trust	MM
Olympic Trust 800 West Sixth Street Suite 540 Los Angeles, CA 90017 (213) 623-7833 (local) (800) 346-7301 (out of state) Exchange privilege: No	
Olympic Trust–Balanced Income	BA
Olympic Trust–Equity Income	ST
Olympic Trust–Small Cap Fund	ST
Oppenheimer Fund Management PO Box 300 Denver, CO 80201 (303) 671-3200 (local) (800) 525-7048 (out of state) Exchange privilege: Yes	
Oppenheimer Asset Allocation Fund	BD
Oppenheimer Blue Chip Fund	ST
Oppenheimer Directors Fund	ST
Oppenheimer Equity Income Fund	ST
Oppenheimer Fund	ST
Oppenheimer Global Fund	FO
Oppenheimer GNMA Fund	BD
Oppenheimer Gold & Special Mins	ST
Oppenheimer High Yield Fund	BD
Oppenheimer Money Market Fund	MM
Oppenheimer New York Tax-Exempt	MU
Oppenheimer Ninety Ten Fund	ST
Oppenheimer OTC Fund	ST
Oppenheimer Premium Income	ST
Oppenheimer Regency Fund	ST
Oppenheimer Special Fund	ST
Oppenheimer Target Fund	ST
Oppenheimer Tax-Free Bond Fund	MU
Oppenheimer Time Fund	ST
Oppenheimer Total Return Fund	ST
Oppenheimer US Government	BD
Pacific Financial Research 9601 Wilshire Boulevard Suite 828 Beverly Hills, CA 90210 (213) 278-4461* (nationwide) Exchange privilege: No	
Clipper Fund	ST
PaineWebber 1285 Avenue of the Americas New York, NY 10019 (800) 544-9300 (nationwide) Exchange privilege: Yes	
PaineWebber America Fund	ST
PaineWebber Asset Allocation	ST
PaineWebber Atlas Fund	FO
PaineWebber Calif Tax-Exempt Inc	MU
PaineWebber Cashfund	MM
PaineWebber Fixed Inc–GNMA	BD
PaineWebber Fixed Inc–High Yield	BD
PaineWebber Fixed Inc–Invest Grade	BD
PaineWebber High Yield Muni Bond	MU
PaineWebber Master Global Income	FO
PaineWebber Master Growth	ST
PaineWebber Master Income	BD
PaineWebber Olympus Fund	ST
PaineWebber RMA–Money Market	MM
PaineWebber RMA–Tax-Free	MM
PaineWebber Tax-Exempt Income	MU
Pallas Financial Corp One Burton Hills Boulevard Suite 355 Nashville, TN 37215 (615) 665-1700* (local) (800) 251-1970 (out of state) Exchange privilege: Yes	
Monitrend Value Fund	ST
Palm Beach Capital Management 205 Royal Palm Way Palm Beach, FL 33480 (407) 655-7255 (local) (800) 289-2281 (nationwide) Exchange privilege: Yes	
ABT Growth & Income Trust	ST
ABT Invest–Emerging Growth	ST
ABT Invest–Security Income	ST
ABT Utility Income Fund	ST
Paribas Asset Management 787 Seventh Avenue New York, NY 10019 (212) 841-3000* (local) (800) 233-1137 (out of state) Exchange privilege: No	
Paribas Trust–Quantus Equity	ST
Parnassus Financial Management 244 California Street San Francisco, CA 94111 (415) 362-3505* (local) Exchange privilege: No	
Parnassus Fund	ST
Pasadena Growth Fund 600 North Rosemead Boulevard Pasadena, CA 91107-2101 (818) 351-4276* (local) (800) 882-2855 (out of state) Exchange privilege: No	
Pasadena Growth Fund	ST
Pax World Fund 224 State Street Portsmouth, NH 03801 (603) 431-8022 (local) Exchange privilege: No	
Pax World Fund	BA
Penn Square Management 2650 Westview Drive Wyomissing, PA 19610 (800) 222-7506 (local) (800) 523-8440 (out of state) Exchange privilege: Yes	
Penn Square Mutual Fund	ST
Pennsylvania Mutual Fund 1414 Avenue of the Americas New York, NY 10019 (212) 355-7311* (local) (800) 221-4268 (out of state) Exchange privilege: No	
Pennsylvania Mutual Fund	ST
Permanent Portfolio PO Box 5847 Austin, TX 78763 (512) 453-7558 (local) (800) 531-5142 (out of state) Exchange privilege: Yes	
Permanent Portfolios–Permanent	ST
Phoenix Equity Planning Corp One American Row Hartford, CT 06115 (203) 278-8050* (local) (800)-243-4361 (out of state) Exchange privilege: Yes	
Phoenix Balanced Fund	BA
Phoenix Convertible Fund	BA
Phoenix Growth Fund	ST
Phoenix High Yield Fund	BD
Phoenix Stock Fund	ST
Phoenix Total Return	ST
Pilgrim Group 10100 Santa Monica Boulevard 21st Floor Los Angeles, CA 90067 (800) 331-1080 (local) (800) 334-3444 (out of state) Exchange privilege: Yes	
Pilgrim GNMA Fund	BD
Pilgrim High Yield Trust	BD
Pilgrim MagnaCap Fund	ST
Pilgrim Preferred Fund	BD
Pilgrim Rising Profitability Fund	ST
Pioneer Group 60 State Street Boston, MA 02109 (617) 742-7825* (local) (800) 225-6292 (out of state) Exchange privilege: Yes	
Pioneer Bond Fund	BD
Pioneer Fund	ST
Pioneer II	ST
Pioneer Three	ST
Prescott, Ball & Turben 230 West Monroe Street Suite 2800 Chicago, IL 60606 (800) 553-5533 (nationwide) Exchange privilege: Yes	
Selected American Shares	ST
Selected Special Shares	ST

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Distributor	Type of fund
T Rowe Price Associates 100 East Pratt Street Baltimore, MD 21202 (301) 547-2308* (local) (800) 638-5660 (nationwide) Exchange privilege: Yes	
T Rowe Price Calif T-F Inc–Bond	MU
T Rowe Price Calif T-F Inc–Money	MM
T Rowe Price Capital Appreciation	ST
T Rowe Price Equity Income Fund	ST
T Rowe Price GNMA Fund	BD
T Rowe Price Growth & Income	ST
T Rowe Price Growth Stock Fund	ST
T Rowe Price High Yield Fund	BD
T Rowe Price International Bond	FO
T Rowe Price International Stock	FO
T Rowe Price Maryland T-F Bond	MU
T Rowe Price New America Growth	ST
T Rowe Price New Era Fund	ST
T Rowe Price New Horizons Fund	ST
T Rowe Price New Income Fund	BD
T Rowe Price New York T-F Bond	MU
T Rowe Price New York T-F Money	MM
T Rowe Price Prime Reserve Fund	MM
T Rowe Price Short-Term Bond Fund	BD
T Rowe Price Tax-Exempt Money	MM
T Rowe Price Tax-Free High Yield	MU
T Rowe Price Tax-Free Income Fund	MU
T Rowe Price T-F Short Intermed	MU
Primary Trend Fund First Financial Centre 700 North Water Street Milwaukee, WI 53202 (800) 443-6544 (nationwide) Exchange privilege: No	
Primary Trend Fund	ST
Princor Financial Services Corp 711 High Street Des Moines, IA 50309 (515) 247-5711 (local) Exchange privilege: Yes	
Princor Capital Accumulation Fund	ST
Princor Government Securities Inc	BD
Princor Growth Fund	ST
Prudential-Bache One Seaport Plaza Mutual Funds-18th Floor New York, NY 10292 (212) 214-1216 (local) (800) 225-1852 (nationwide) Exchange privilege: Yes	
Pru-Bache California Municipal	MU
Pru-Bache Equity Fund	ST
Pru-Bache Equity Income	ST
Pru-Bache Global Fund	FO
Pru-Bache Global Genesis	FO
Pru-Bache Global Natural Resources	FO
Pru-Bache GNMA Fund	BD
Pru-Bache Government Plus	BD
Pru-Bache Government Plus II	BD
Pru-Bache Govt Secs–Intermediate	BD
Pru-Bache Growth Opportunity	ST
Pru-Bache High Yield Fund	BD
Pru-Bache IncomeVertible Plus	BA
Pru-Bache Moneymart Assets	MM
Pru-Bache Muni–Arizona	MU
Pru-Bache Muni–Maryland	MU
Pru-Bache Muni–Massachusetts	MU
Pru-Bache Muni–Michigan	MU
Pru-Bache Muni–New York	MU
Pru-Bache Muni–New York MM	MM

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Distributor	Type of fund
Pru-Bache Muni–North Carolina	MU
Pru-Bache Muni–Ohio	MU
Pru-Bache Muni–Pennsylvania	MU
Pru-Bache National Municipals	MU
Pru-Bache Option Growth Fund	ST
Pru-Bache Research Fund	ST
Pru-Bache Tax-Free Money Fund	MM
Pru-Bache Utility Fund	ST
Putnam Financial Services One Post Office Square Boston, MA 02109 (617) 292-1000 (local) (800) 225-1581 (out of state) Exchange privilege: Yes	
Depositors Invest–Capital Growth	ST
Putnam California Tax-Exempt Inc	MU
Putnam Capital Fund	ST
Putnam Convertible Income-Growth	BA
Putnam Daily Dividend Trust	MM
Putnam Energy-Resources Trust	ST
Putnam Fund for Growth & Income	ST
George Putnam Fund of Boston	BA
Putnam Global Government Income	FO
Putnam GNMA Plus Trust	BD
Putnam Health Sciences Trust	ST
Putnam High Income Government	BD
Putnam High Yield Trust	BD
Putnam High Yield Trust II	BD
Putnam Income Fund	BD
Putnam Information Sciences Trust	ST
Putnam International Equities Fund	FO
Putnam Investors Fund	ST
Putnam Massachusetts Tax-Ex Inc	MU
Putnam Michigan Tax-Exempt Inc	MU
Putnam New York Tax-Exempt Inc	MU
Putnam Ohio Tax-Exempt Income	MU
Putnam Option Income Trust	ST
Putnam Option Income Trust II	ST
Putnam OTC Emerging Growth Fund	ST
Putnam Tax-Exempt Income Fund	MU
Putnam Tax-Free Income–High Yield	MU
Putnam Tax-Free Income–Insured	MU
Putnam US Govt Guaranteed Secs	BD
Putnam Vista Basic Value	ST
Putnam Voyager Fund	ST
Quest Distributors 1414 Avenue of the Americas New York, NY 10019 (212) 355-7311* (local) (800) 221-4268 (out of state) Exchange privilege: Yes	
Royce Fund–Total Return	BA
Royce Fund–Value	ST
Quest for Value 200 Liberty Street New York, NY 10281 (212) 667-7587 (local) (800) 232-3863 (out of state) Exchange privilege: Yes	
Quest for Value Cash Management	MM
Quest for Value Fund	ST
James B Rea 10966 Chalon Road Suite 1625 Los Angeles, CA 90077 (213) 471-1917* (local) (800) 433-1998 (out of state) Exchange privilege: No	
Rea-Graham Fund	BA

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Average Yearly Total Returns through 6/30/88[1]	
Average since 12/30/81	+21.8%
60 mo. average	+14.4%
12 mo. return	− 2.0%

[illegible] Results[2]	
19[illegible]	+ [illegible]
19[illegible]	+ [illegible]
198[illegible]	+ [illegible]%
1985	+ 25.4%
1986	+ 20.0%
1987	+ 6.0%
1988	+ 9.5% (through 7/22)

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[1] Total returns represent past performance. Returns and share price will vary, and shares may be worth more or less at redemption than at original purchase.

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[2] These returns include changes in share price, effects of the 1% sales charge, and reinvestment of all dividends and capital gains distributions.

Fund Distributors

Distributor Type of fund

Reich & Tang LP
100 Park Avenue
28th Floor
New York, NY 10017
(212) 370-1240* (local)
(800) 221-3077 (out of state)
Exchange privilege: Yes

California Daily Tax-Free Income	MM
Connecticut Daily Tax-Free Income	MM
Daily Income Fund	MM
Daily Tax-Free Income Fund	MM
Empire Tax-Free Money Market	MM
Reich & Tang Equity Fund	ST
Short-Term Income–Money Market	MM
Sound Shore Fund	ST

Resrv Partners
810 Seventh Avenue
New York, NY 10019
(212) 977-9880* (local)
(800) 223-5547 (out of state)
Exchange privilege: Yes

Reserve Equity–Contrarian	ST
Reserve Fund–Primary	MM
Reserve New York Tax-Exempt–NY	MM
Reserve Tax-Exempt–Connecticut	MM
Reserve Tax-Exempt Trust–Interstate	MM

Review Management Corp
PO Box 1537
Fort Washington, PA 19034-1537
(215) 643-2510* (local)
(800) 523-2578 (out of state)
Exchange privilege: No

Over-the-Counter Securities Fund	ST

Rochester Fund Distributors
379 Park Avenue
Rochester, NY 14607
(716) 442-5500* (local)
Exchange privilege: Yes

Rochester Convertible–Growth	BA
Rochester Convertible–Income	BA
Rochester Fund Municipals	MU
Rochester Tax Managed Fund	ST

Ruane, Cunniff & Co
1370 Avenue of the Americas
New York, NY 10019
(212) 245-4500 (local)
Exchange privilege: No

Sequoia Fund	ST

Distributor Type of fund

Rushmore Group
4922 Fairmont Avenue
Bethesda, MD 20814
(301) 657-1500 (local)
(800) 343-3355 (nationwide)
Exchange privilege: Yes

Fund for Govt Investors	MM
Fund for Tax-Free Inv–Money Market	MM
Rushmore–OTC Index Plus	ST
Rushmore–Stock Market Index Plus	ST

Safeco Securities
Safeco Plaza
Seattle, WA 98185
(206) 545-5530 (local)
(800) 426-6730 (out of state)
Exchange privilege: Yes

Safeco California Tax-Free Income	MU
Safeco Equity Fund	ST
Safeco Growth Fund	ST
Safeco Income Fund	ST
Safeco Municipal Bond Fund	MU
Safeco Tax-Free Money Market	MM
Safeco US Government Securities	BD

SBSF Funds
45 Rockefeller Plaza
New York, NY 10111
(212) 903-1200* (local)
(800) 422-7273 (nationwide)
Exchange privilege: Yes

SBSF–Growth Fund	ST

Schield Securities
390 Union Boulevard
Denver, CO 80228
(800) 233-4971 (local)
(800) 826-8154 (out of state)
Exchange privilege: Yes

Schield–Aggressive Growth	ST
Schield–Value	ST

Scudder Fund Distributors
160 Federal Street
Boston, MA 02110
(800) 225-2470 (nationwide)
Exchange privilege: Yes

AARP Growth Trust–Capital Growth	ST
AARP Growth–Growth & Income	ST
AARP Income Trust–General Bond	BD
AARP Income–GNMA & US Treas	BD
AARP Insured T-F Inc–Genl Bond	MU
AARP Insured T-F Inc–S-T Bond	MU
Japan Fund	FO
Scudder California Tax-Free Fund	MU
Scudder California Tax-Free Money	MM
Scudder Cash Investment Trust	MM
Scudder Development Fund	ST
Scudder Equity–Capital Growth	ST
Scudder Equity–Equity Income	ST
Scudder Global Fund	FO
Scudder GNMA Fund	BD
Scudder Growth & Income Fund	ST
Scudder High Yield Tax-Free Fund	MU
Scudder Income Fund	BD
Scudder International Fund	FO
Scudder Managed Municipal Bonds	MU
Scudder NY Tax-Free Fund	MU
Scudder NY Tax-Free Money Fund	MM
Scudder Tax-Free Money Fund	MM
Scudder Tax-Free Target–1990	MU
Scudder Tax-Free Target–1993	MU
Scudder Tax-Free Target–1996	MU

Distributor Type of fund

Securities Management & Research
Two Moody Plaza
Galveston, TX 77550
(800) 392-9753 (local)
(800) 231-4639 (out of state)
Exchange privilege: Yes

American National Growth Fund	ST
American National Income Fund	ST
Triflex Fund	BA

Security Distributors
700 Harrison Street
Topeka, KS 66636
(800) 888-2461 (local)
Exchange privilege: Yes

Security Action Fund	ST
Security Equity Fund	ST
Security Income–Corporate Bond	BD
Security Investment Fund	ST
Security Omni Fund	ST
Security Ultra Fund	ST

Seligman Marketing
One Bankers Trust Plaza
New York, NY 10006
(800) 522-6869 (local)
(800) 221-2450 (out of state)
Exchange privilege: Yes

Seligman Calif Tax-Exempt–High Yld	MU
Seligman Calif Tax-Exempt–Quality	MU
Seligman Capital Fund	ST
Seligman Common Stock Fund	ST
Seligman Commun & Information	ST
Seligman Growth Fund	ST
Seligman High Inc–High Yield Bond	BD
Seligman High Inc–Secured Mortgage	BD
Seligman High Inc–US Govt Guar	BD
Seligman Income Fund	BA
Seligman Penn Tax-Exempt–Quality	MU
Seligman Tax-Exempt–Colorado	MU
Seligman Tax-Exempt–Louisiana	MU
Seligman Tax-Exempt–Maryland	MU
Seligman Tax-Exempt–Mass	MU
Seligman Tax-Exempt–Michigan	MU
Seligman Tax-Exempt–Minnesota	MU
Seligman Tax-Exempt–Missouri	MU
Seligman Tax-Exempt–National	MU
Seligman Tax-Exempt–New York	MU
Seligman Tax-Exempt–Ohio	MU
Seligman Tax-Exempt–Oregon	MU

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Distributor	Type of fund
Sentry Equity Services 1800 North Point Drive Stevens Point, WI 54481 (800) 472-0280 (local) (800) 826-0266 (out of state) Exchange privilege: No	
Sentry Fund	ST
Shearson Lehman Hutton One Western Union Plaza 15th Floor New York, NY 10004 (212) 825-3115 (local) Exchange privilege: Yes	
American Telecom–Growth	ST
Cash Reserve Management	MM
Hutton AMA Cash Fund	MM
Hutton California Municipal Fund	MU
Hutton Government Fund	MM
Hutton Investment–Basic Value	ST
Hutton Investment–Bond & Income	BD
Hutton Investment–Govt Secs	BD
Hutton Investment–Growth	ST
Hutton Investment–Option Income	ST
Hutton Investment–Prec Metals	ST
Hutton Investment–Short-Term Inv	MM
Hutton Investment–Spec Equities	ST
Hutton National Municipal Fund	MU
Hutton New York Municipal Fund	MU
Lehman Capital Fund	ST
Lehman Investors Fund	ST
Lehman Management T-F Reserves	MM
Lehman Opportunity Fund	ST
Municipal Cash Reserve Mgmt	MM
Shearson Daily Tax-Free Dividend	MM
Shearson FMA Cash Fund	MM
Shearson FMA Government Fund	MM
Shearson FMA Municipal Fund	MM
Shearson Government & Agencies	MM
Shearson Lehman Aggressive Growth	ST
Shearson Lehman Appreciation Fund	ST
Shearson Lehman Calif Daily T-F	MM
Shearson Lehman California Munis	MU
Shearson Lehman Daily Dividend	MM
Shearson Lehman Fundamental Value	ST
Shearson Lehman Global Oppor	FO
Shearson Lehman High Yield Fund	BD
Shearson Lehman Managed Govts	BD
Shearson Lehman Managed Munis	MU
Shearson Lehman Multi Oppor LP	ST
Shearson Lehman NY Daily Tax-Free	MM
Shearson Lehman New York Munis	MU
Shearson Lehman Prec Metals	FO
Shearson Lehman–Convertible Secs	BA
Shearson Lehman–Equity Growth	ST
Shearson Lehman–Equity Plus	ST
Shearson Lehman–Global Bond	FO
Shearson Lehman–High Income Bond	BD
Shearson Lehman–Intermediate Govt	BD
Shearson Lehman–Intl Equity	FO
Shearson Lehman–Long-Term Govt	BD
Shearson Lehman–Mortgage Secs	BD
Shearson Lehman–Option Income	ST
Shearson Lehman–Strategic Investors	ST
Shearson Lehman–Tax-Exempt Inc	MU

Distributor	Type of fund
Sheffield Investments 41 Madison Avenue New York, NY 10010 (212) 779-7979* (local) (800) 922-7771 (out of state) Exchange privilege: No	
Blanchard Strategic Growth	FO
Sherman, Dean Fund 6061 NW Expressway Suite 465 San Antonio, TX 78201 (512) 735-7700 (local) (800) 247-6375 (out of state) Exchange privilege: No	
Sherman, Dean Fund	ST
Sierra Growth Fund 1801 Century Park East Suite 1800 Los Angeles, CA 90067 (213) 277-1450 (local) (800) 367-7814 (out of state) Exchange privilege: No	
National Industries Fund	ST
Sigma Investor Services Greenville Center C-200 3801 Kennett Pike Wilmington, DE 19807 (302) 652-3091* (local) (800) 441-9490 (out of state) Exchange privilege: Yes	
ISI Growth Fund	ST
ISI Trust Fund	ST
Sigma Capital Shares	ST
Sigma Income Shares	BD
Sigma Investment Shares	ST
Sigma Special Fund	ST
Sigma Trust Shares	BA
Sigma Value Shares	ST
Sigma Venture Shares	ST
Sigma World Fund	FO
Sit Investment Associates 1714 First Bank Place West Minneapolis, MN 55402 (612) 332-3223 (local) (800) 332-5580 (out of state) Exchange privilege: Yes	
Sit New Beginning Growth Fund	ST
Sit New Beginning Income & Growth	ST

Distributor	Type of fund
Smith Barney, Harris Upham & Co 1345 Avenue of the Americas New York, NY 10005 (212) 698-6000 (local) (800) 221-8806 (out of state) Exchange privilege: Yes	
Muni Bond Funds–California	MU
Muni Bond Funds–National	MU
National Liquid Reserves–Cash	MM
Smith Barney Equity Fund	ST
Smith Barney–Income & Growth	ST
Smith Barney–Income Return	BD
Smith Barney–US Government	BD
Tax-Free Money Fund	MM
Vantage Money Market–Cash	MM
Sogen Securities Corp 520 Madison Avenue New York, NY 10022 (212) 832-0022 (local) (800) 334-214[illegible] (out of state) Exchange privilege: No	
SoGen International Fund	FO
Southeastern Asset Management 15 North 21st Street Birmingham, AL 35203 (205) 252-3681* (local) (800) 445-9469 (out of state) Exchange privilege: No	
Southeastern Asset Mgmt Value	ST
Sovereign Advisers 985 Old Eagle School Road Suite 515A Wayne, PA 19087 (215) 254-0703* (local) Exchange privilege: No	
Sovereign Investors	ST
State Bond Sales Corp 100-106 North Minnesota Street Minneapolis, MN 56073 (507) 354-2144* (local) (800) 328-4735 (out of state) Exchange privilege: Yes	
State Bond Common Stock Fund	ST
State Bond Diversified Fund	ST
State Bond Progress Fund	ST
State Bond Tax-Exempt Fund	MU
State Street Research & Management One Financial Center Boston, MA 02111 (617) 482-3920 (local) Exchange privilege: No	
State Street Investment Corp	ST
Steadman Security Corp 1730 K Street NW Washington, DC 20006 (202) 223-1000 (local) (800) 424-8570 (nationwide) Exchange privilege: Yes	
Steadman American Industry Fund	ST
Steadman Associated Fund	ST
Steadman Investment Fund	ST
Steadman Oceanographic	ST

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Fund Distributors

Distributor	Type of fund
Stein Roe & Farnham PO Box 1162 Chicago, IL 60690 (800) 338-2550 (nationwide) Exchange privilege: Yes	
SteinRoe Equity–Capital Oppor	ST
SteinRoe Equity–Discovery Fund	ST
SteinRoe Equity–Prime Equities	ST
SteinRoe Equity–Special Fund	ST
SteinRoe Equity–Stock Fund	ST
SteinRoe Equity–Total Return Fund	BA
SteinRoe Equity–Universe Fund	ST
SteinRoe Income–Cash Reserves	MM
SteinRoe Income–Governments Plus	BD
SteinRoe Income–High Yield Bonds	BD
SteinRoe Income–Managed Bonds	BD
SteinRoe T-E Income–High Yield	MU
SteinRoe T-E Inc–Intermediate	MU
SteinRoe Tax-Ex Income–Managed	MU
SteinRoe Tax-Ex Income–Money	MM
Strategic Distributors 2030 Royal Lane Dallas, TX 75229 (214) 484-1326* (local) (800) 527-5027 (out of state) Exchange privilege: Yes	
Strategic Capital Gains	ST
Strategic Investments Fund	ST
Strategic Silver Fund	ST
Stratton Management 610 West Germantown Pike Suite 361 Plymouth Meeting, PA 19462 (215) 941-0888 (local) (800) 634-5726 (nationwide) Exchange privilege: Yes	
Stratton Growth Fund	ST
Stratton Monthly Dividend Shares	ST
Strong/Corneliuson Capital Mgmt PO Box 2936 Milwaukee, WI 53201-2936 (414) 359-1400* (local) (800) 368-3863 (nationwide) Exchange privilege: Yes	
Strong Income Fund	BD
Strong Investment Fund	BA
Strong Opportunity Fund	ST
Strong Tax-Free Money Market Fund	MM
Strong Total Return Fund	BA
Templeton Funds Distributors 700 Central Avenue St Petersburg, FL 33701 (813) 823-8712* (local) (800) 237-0738 (out of state) Exchange privilege: Yes	
Templeton Foreign Fund	FO
Templeton Global I	FO
Templeton Global II	FO
Templeton Growth Fund	FO
Templeton Income Fund	BA
Templeton World Fund	FO
Thompson, Unger & Plumb PO Box 55320 Madison, WI 53705 (608) 231-1676 (local) Exchange privilege: No	
Thompson, Unger & Plumb Fund	ST

Distributor	Type of fund
Thomson McKinnon Securities One State Street Plaza New York, NY 10004 (212) 482-5894 (local) (800) 628-1237 (out of state) Exchange privilege: Yes	
Cash Accumulation–National MM	MM
Cash Accumulation–National Tax-Ex	MM
Thomson McKinnon Inv–Global	FO
Thomson McKinnon Inv–Growth	ST
Thomson McKinnon Inv–Income	BD
Thomson McKinnon Inv–Oppor	ST
Thomson McKinnon Inv–Tax-Ex	MU
Thomson McKinnon Inv–US Govt	BD
Thornburg Securities 119 East Marcy Street Suite 202 Santa Fe, NM 87501 (505) 984-0200 (local) (800) 847-0200 (out of state) Exchange privilege: Yes	
Limited Term Municipal–National	MU
Transamerica Investment Services PO Box 2438 Los Angeles, CA 90051 (213) 742-2222* (local) (800) 343-6840 (out of state) Exchange privilege: No	
Transamerica Cash Reserve	MM
Trusteed Funds One Winthrop Square Boston, MA 02110 (800) 462-1199 (local) (800) 343-2902 (out of state) Exchange privilege: Yes	
Commonwealth Indenture A & B	ST
Commonwealth Indenture C	ST
GPM Fund	BA
Tucker, Anthony & RL Day One Beacon Street 3rd Floor Boston, MA 02108 (800) 392-6037 (local) (800) 225-6258 (out of state) Exchange privilege: Yes	
Freedom Equity Value Fund	ST
Freedom Inv–Gold & Government	ST
Freedom Inv–Government Plus	BD
Freedom Inv–Regional Bank	ST
Freedom Inv II–Global Fund	FO
Freedom Inv II–Global Income Plus	FO
Tocqueville Fund	ST
Tucker Anthony Cash Management	MM
Tucker Anthony Tax-Exempt Money	MM
Twentieth Century Investors 4500 Main Street Kansas City, MO 64111 (816) 531-5575 (local) (800) 345-2021 (out of state) Exchange privilege: Yes	
20th Century Giftrust Investors	ST
20th Century Growth Investors	ST
20th Century Select Investors	ST
20th Century Ultra Investors	ST
20th Century US Governments	BD
20th Century Vista Investors	ST

Distributor	Type of fund
Unified Management Corp 429 North Pennsylvania Street Indianapolis, IN 46204-1897 (317) 634-3300 (local) (800) 862-7283 (out of state) Exchange privilege: Yes	
Unified Growth Fund	ST
Unified Income Fund	BA
Unified Mutual Shares	ST
United Services Advisors PO Box 29467 San Antonio, TX 78229-0467 (512) 696-1234* (local) (800) 873-8637 (nationwide) Exchange privilege: Yes	
United Services–Gold Shares Fund	FO
United Services–Good & Bad Times	ST
United Services–Growth Fund	ST
United Services–New Prospector	ST
United Services–Prospector Fund	FO
US Boston Investment 6 New England Executive Park Burlington, MA 01803 (617) 272-6420 (local) Exchange privilege: Yes	
US Boston Invest–Growth & Income	ST
US Boston Invest–Foreign Perform	FO
USAA Investment Mgmt Co USAA Building San Antonio, TX 78288 (512) 498-8000 (local) (800) 531-8000 (out of state) Exchange privilege: Yes	
USAA Investment–Cornerstone Fund	ST
USAA Investment–Gold Fund	ST
USAA Mutual–Growth Fund	ST
USAA Mutual–Income Fund	BD
USAA Mutual–Income Stock Fund	ST
USAA Mutual–Money Market	MM
USAA Mutual–Sunbelt Era Fund	ST
USAA Tax-Exempt–High Yield	MU
USAA Tax-Exempt–Intermediate	MU
USAA Tax-Exempt Fund–MM	MM
USAA Tax-Exempt Fund–Short-Term	MU
Valley Forge Fund PO Box 262 Valley Forge, PA 19481 (215) 688-6839 (local) Exchange privilege: No	
Valley Forge Fund	ST
Value Line Securities 711 Third Avenue New York, NY 10017 (800) 223-0818 (nationwide) Exchange privilege: Yes	
Value Line Aggressive Income Trust	BD
Value Line Cash Fund	MM
Value Line Convertible Fund	ST
Value Line Fund	ST
Value Line Income Fund	ST
Value Line Leveraged Growth Inv	ST
Value Line Special Situations Fund	ST
Value Line Tax-Exempt–High Yield	MU
Value Line Tax-Exempt–MM	MM
Value Line US Government Secs	BD

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Distributor	Type of fund
Van Eck Securities Corp 122 East 42nd Street 42nd Floor New York, NY 10168 (212) 687-5200* (local) (800) 221-2220 (out of state) Exchange privilege: Yes	
Van Eck Gold/Resources Fund	ST
Van Eck International Investors	FO
Van Eck World Income Fund	BD
Van Eck World Trends Fund	FO
Van Kampen Merritt 1001 Warrenville Road Lisle, IL 60532 (312) 983-2064 (local) (800) 285-2222 (nationwide) Exchange privilege: Yes	
Van Kampen Merritt Cal Insured T-F	MU
Van Kampen Merritt Growth & Inc	ST
Van Kampen Merritt High Yield	BD
Van Kampen Merritt Insured T-F	MU
Van Kampen Merritt Tax-Free Hi Inc	MU
Van Kampen Merritt US Government	BD
Vanguard Group of Investment Cos PO Box 2600 Valley Forge, PA 19482 (800) 662-7447 (nationwide) Exchange privilege: Yes	
Vanguard Adj Rate Preferred Stk	BD
Vanguard Bond Market Fund	BD
Vanguard California T-F–Ins L-T	MU
Vanguard California T-F–MM	MM
Vanguard Convertible Securities	BA
Vanguard Explorer Fund	ST
Vanguard Explorer II	ST
Vanguard Fixed Income–GNMA	BD
Vanguard Fixed Income–High Yield	BD
Vanguard Fixed Income–Invest Grade	BD
Vanguard Fixed Income–Short-Term	BD
Vanguard Fixed Income–US Treasury	BD
Vanguard High Yield Stock	ST
Vanguard Index Trust–500 Portfolio	ST
Vanguard MM Reserves–Federal	MM
Vanguard MM Reserves–Prime	MM
Vanguard WL Morgan Growth Fund	ST
Vanguard Muni Bond–High Yield	MU
Vanguard Muni Bond–Insured L-T	MU
Vanguard Muni Bond–Intermediate	MU
Vanguard Muni Bond–Long-Term	MU
Vanguard Muni Bond–Money Market	MM
Vanguard Muni Bond–Short-Term	MU
Vanguard Naess & Thomas Spec	ST
Vanguard New York Insured T-F	MU
Vanguard Penn Tax-Free–Insured L-T	MU
Vanguard Preferred Stock Fund	BD
Vanguard PRIMECAP Fund	ST
Vanguard Quantitative Portfolios	ST
Vanguard Special–Technology	ST
Vanguard Special–Energy	ST
Vanguard Spec–Gold & Prec Metals	FO
Vanguard Special–Health Care	ST
Vanguard Special–Service Economy	ST
Vanguard STAR Fund	BA
Vanguard Trustees Commingled–Intl	FO
Vanguard Trustees Commingled–US	ST
Vanguard Wellesley Income Fund	BA
Vanguard Wellington Fund	BA
Vanguard Windsor Fund	ST
Vanguard Windsor II	ST
Vanguard World–International Grow	FO
Vanguard World–US Growth	ST

Distributor	Type of fund
Variable Stock Fund One Monarch Place 12th Floor Springfield, MA 01144 (413) 781-3000 (local) Exchange privilege: No	
Variable Stock Fund	ST
Venture Advisers PO Box 1688 Santa Fe, NM 87504-1688 (505) 983-4335 (local) (800) 545-2098 (out of state) Exchange privilege: Yes	
New York Venture Fund	ST
RPF of America–Bond Fund	BD
RPF of America–Equity Fund	ST
Venture Income (+) Plus	BD
Venture Muni (+) Plus	MU
Voyageur Asset Management 100 South Fifth Street Suite 2300 Minneapolis, MN 55402 (612) 341-6748 (local) (800) 328-4085 (nationwide) Exchange privilege: Yes	
Double Exempt Capital Conservation	MU
Double Exempt Flex Fund	MU
Waddell & Reed 2400 Pershing Road PO Box 418343 Kansas City, MO 64141-9343 (816) 283-4000 (local) (800) 821-5664 (out of state) Exchange privilege: Yes	
United Accumulative Fund	ST
United Bond Fund	BD
United Continental Income Fund	BA
United Gold & Government Fund	BA
United Government Securities	BD
United High Income Fund	BD
United High Income Fund II	BD
United Income Fund	ST
United International Growth	FO
United Municipal Bond Fund	MU
United Municipal High Income	MU
United New Concepts Fund	ST
United Retirement Shares	BA
United Science & Energy Fund	ST
United Vanguard Fund	ST

Distributor	Type of fund
Wall Street Management Corp 641 Lexington Avenue 21st Floor New York, NY 10022 (212) 319-9400* (local) Exchange privilege: No	
Wall Street Fund	ST
Washington Fund Distributors 1101 Vermont Avenue NW Washington, DC 20005 (202) 842-5320* (local) (800) 972-9274 (out of state) Exchange privilege: No	
Growth Fund of Washington	ST
Weiss, Peck & Greer One New York Plaza New York, NY 10004 (212) 908-9582 (local) (800) 223-3332 (out of state) Exchange privilege: Yes	
Tudor Fund	ST
WPG Fund	ST
WPG Government Securities Fund	BD
WPG Growth Fund	ST
Weitz Value Fund 9110 West Dodge Road Embassy Plaza, Suite 210 Omaha, NE 68114-3316 (402) 391-1980* (local) Exchange privilege: No	
Weitz Value Fund	ST
Wheat First Securities PO Box 1357 Richmond, VA 23211 (804) 649-2311* (local) (800) 999-4328 (out of state) Exchange privilege: No	
Southeastern Growth Fund	ST
BC Ziegler & Co 215 North Main Street West Bend, WI 53095 (414) 334-5521* (local) (800) 558-1776 (out of state) Exchange privilege: Yes	
Principal Preservation–Div Achievers	ST
Principal Preservation–Govt Plus	BD
Principal Preservation–Retirement	ST
Principal Preservation–S&P 100 Plus	ST
Principal Preservation–Tax-Ex Plus	MU

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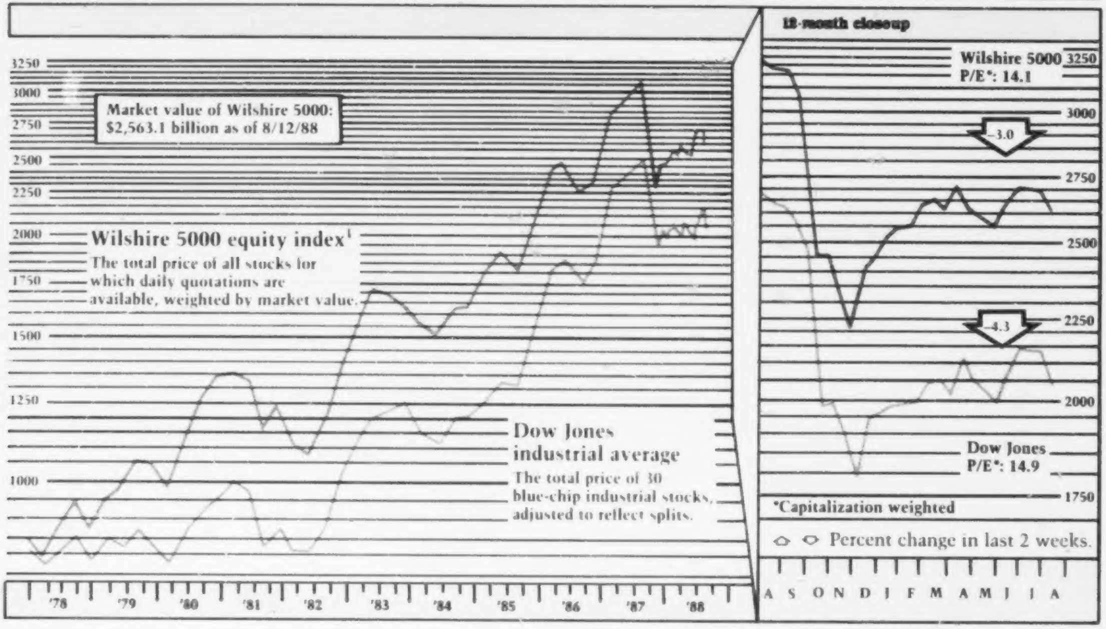
The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Is this a market to nowhere? Almost six weeks ago the market hit a postcrash high. But during the most recent week of trading the Dow slipped 82 points, leaving this barometer of market activity right back where it was on Jan. 6. Since last October the market has been unable to sustain a move far past the 2100 mark. The latest decline appears to have been precipitated by fears of inflation. Although higher rates had been anticipated by many investors, the market seemed surprised last week when the discount rate and the prime were raised.

After last October it is not surprising that many investors are reluctant to return to the stock market. There are, however, a few bright spots. Each postcrash rally attempt has peaked at a slightly higher level than the previous uptick. And with the Wilshire index declining 3% in the last two weeks, the price-to-earnings multiple on the market is down to 14.1. Stocks are not cheap, but they are getting less expensive.

Closeup On the Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	−3.5	−3.2	−4.3	−3.3	−4.1	−4.0
in last 52 weeks	−20.0	−21.2	−24.1	−20.4	−18.5	−16.1

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 23	under 9	over 4.7%	none	high	low	over $35	under $4
in last 4 weeks	−3.7	−1.0	−2.3	0.4	−3.5	−1.5	−0.2	−1.3	−1.8	−1.8	−3.3	−1.3
in last 52 weeks	−16.2	14.7	15.2	2.0	−9.8	−3.9	−2.4	17.5	14.1	−2.2	−11.4	9.0

[1] Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2] Based on sales. [3] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

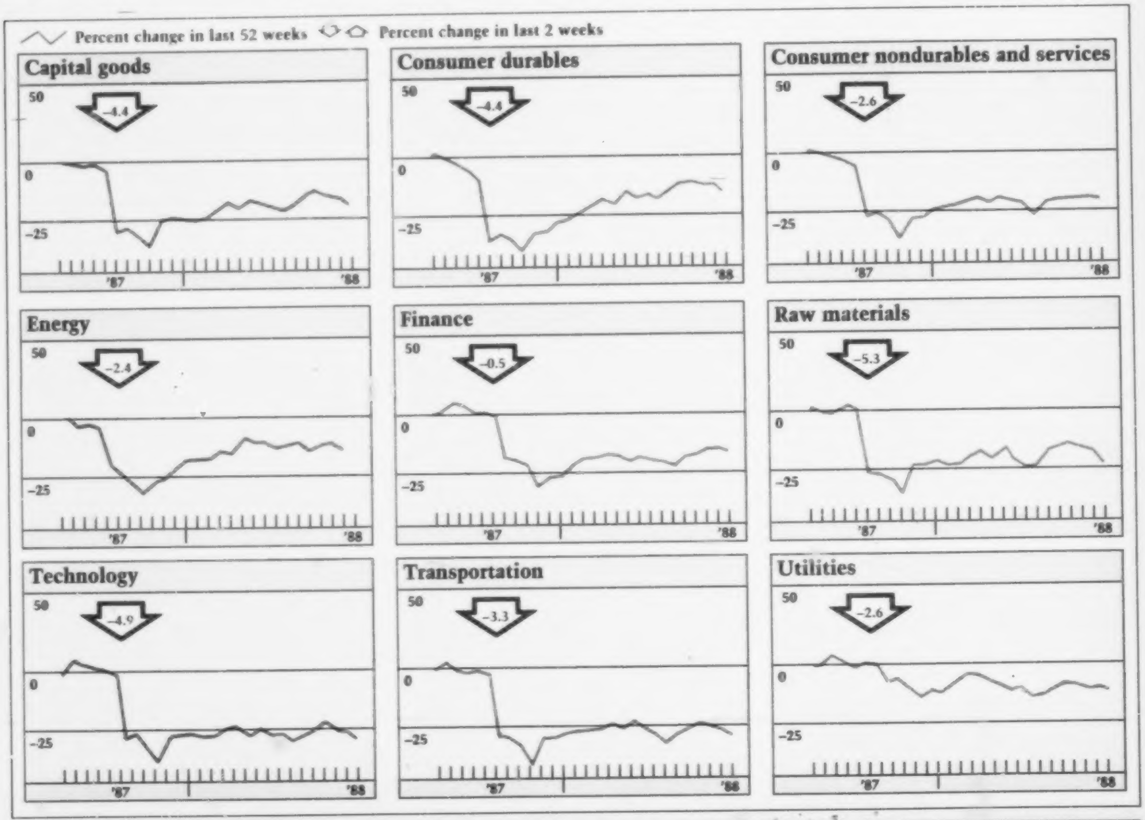
Note: All data for periods ending 8/12/88. Prepared by Wilshire Associates, Santa Monica, Calif.

Steven Ramos

Where the Action Is

Exceptions to the rule. While the overall market, as measured by the Wilshire index, lost 3% in the last two weeks, the finance sector limited its loss to 0.5%. The group was buoyed by an 18.7% gain in NCNB, which has been assigned by the FDIC to assume control of First RepublicBank. Farmers Group, which has been locked in a takeover battle with U.K's B.A.T Industries, rose over 16% on a higher offer from B.A.T. Primerica and Provident Life & Accident also posted double-digit gains.

Other standout performers in a generally down market include Quaker Oats, which was up 16.6%, Perkin Elmer, which gained 8.3%; and Maytag, which rose 7%.



What the Analysts Think

Bullish earnings estimates continue to pour out of Wall Street research houses. In the last two weeks security analysts raised their 1988 forecasts for six of nine sectors. The raw materials group posted the best gain, an increase of 2%. The estimated 1988 price-to-earnings multiple is now 9.6 for this group, vs. 10.4 for the Forbes Sales 500.

Forecasting the Forbes Sales 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.78	13.4
1988 estimates	3.59	10.4
1989 estimates	3.95	9.4

Rank based on change in estimate	Sector	Estimated 1988 EPS	Estimated 1988 P/E	% change in 1988 estimate in 2 weeks	% change in 1988 estimate in 4 weeks
1	Raw materials	$3.15	9.6	2.00%	3.29%
2	Consumer durables	4.55	12.0	1.49	2.31
3	Transportation	2.37	10.8	0.78	0.27
4	Energy	3.04	12.3	0.64	0.62
5	Capital goods	2.62	14.5	0.48	1.63
6	Technology	2.84	11.5	0.08	0.02
7	Utilities	2.40	9.7	–0.07	0.08
8	Consumer nondurables	2.47	12.9	–0.26	–0.78
9	Finance	3.48	8.3	–0.40	–0.70

Earnings projections are capitalization-weighted consensus estimates from over 3,000 security analysts. Data are compiled and updated continually by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 8/12/88. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

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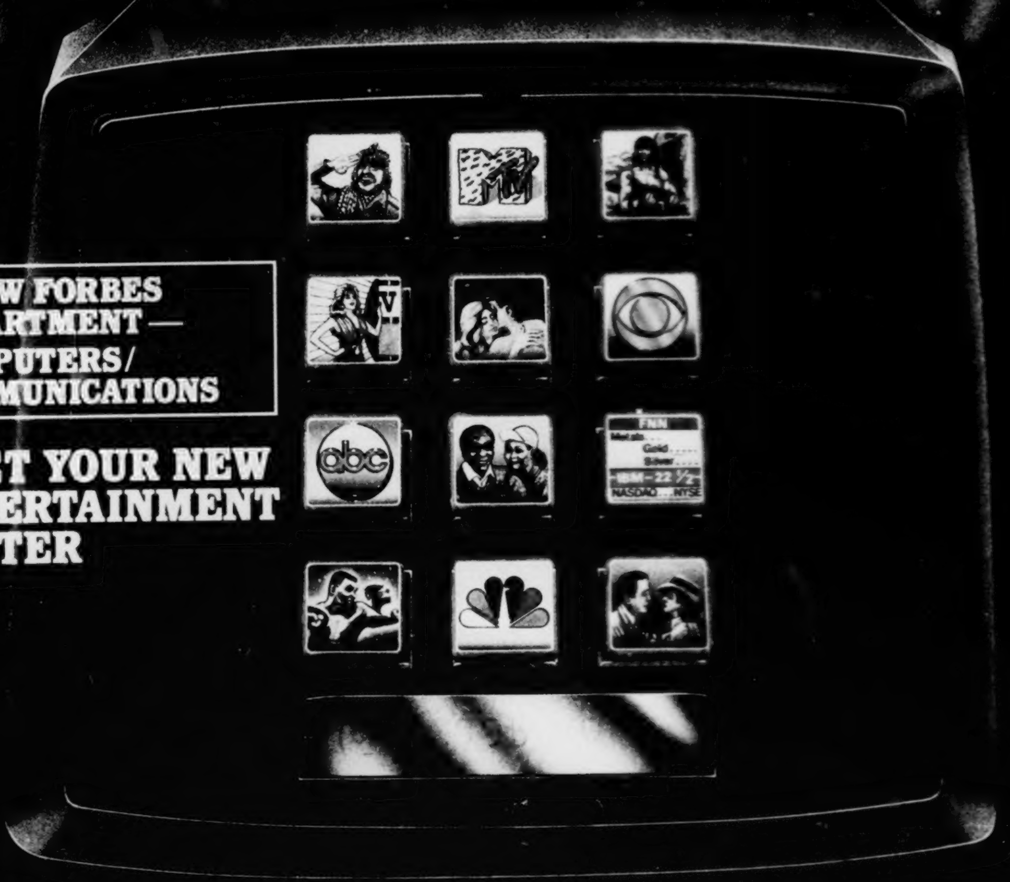
EQUITABLE LIFE AFTER THE COUP

DATA GENERAL'S COMEBACK STRATEGY

THE KIWI WHO WANTS THE AMERICA'S CUP

SEPTEMBER 19, 1988
THREE DOLLARS SEVENTY-FIVE CENTS

Forbes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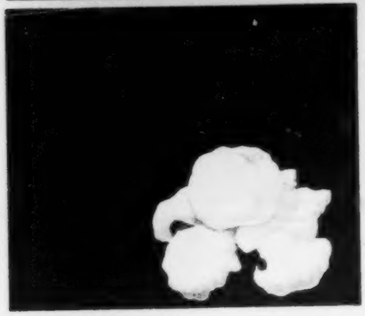

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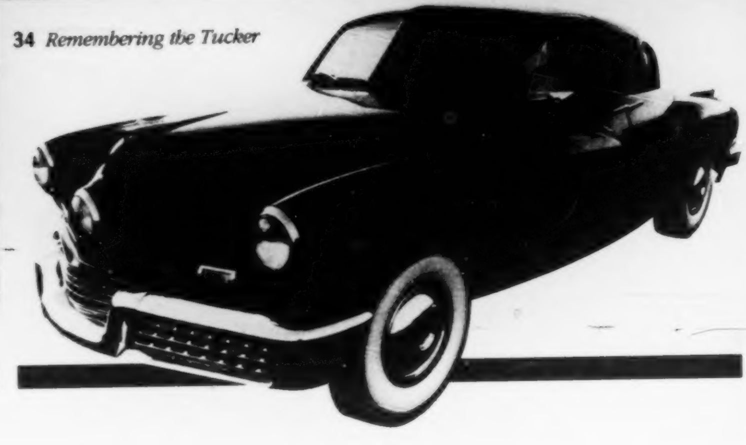

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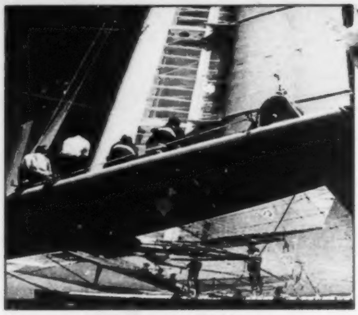

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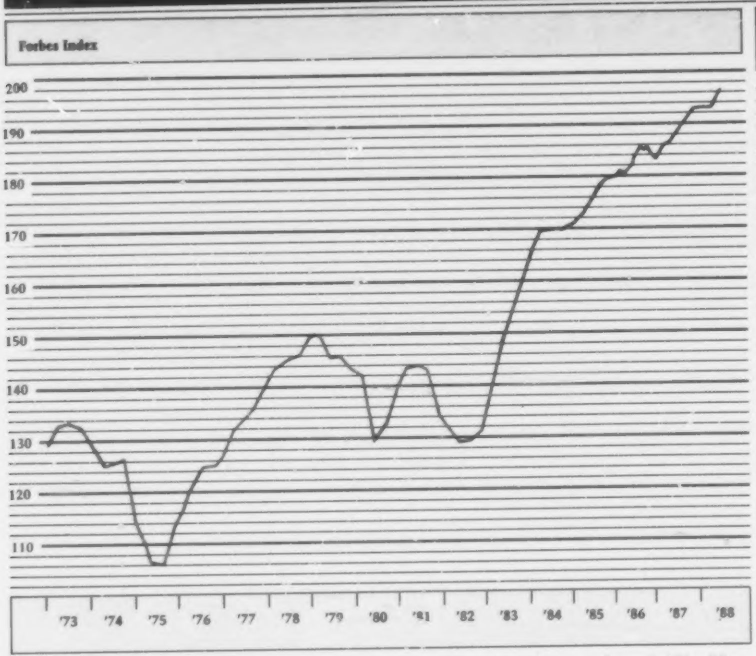
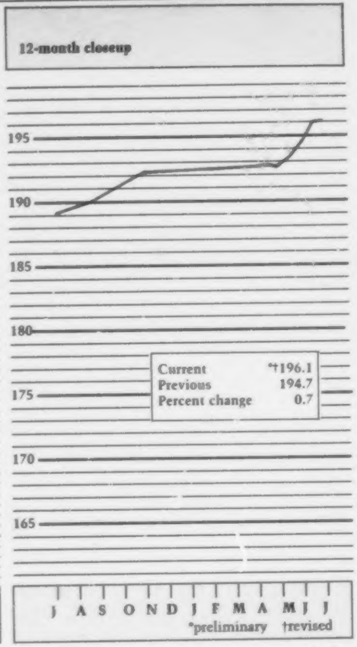
The Forbes Index





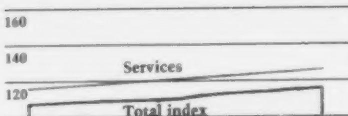
The heat is on. The revised second-quarter gross national product shows economic growth at a 3.3% annual rate, versus an earlier estimate of 3.1%. This is causing some concern that the economy may be expanding too rapidly. Industrial production jumped 0.8% in July as factory utilization, at 83.5%, hit an eight-year high. Personal income rose 1%, while the Consumer Price Index rose a modest 0.4%. However, the services component of the CPI was up 0.5%, and it is likely that the August figures for living costs will show even larger gains, attributable to rising food prices.

The one area that hasn't been particularly robust is new home construction. July new housing starts of 138,000 were off 7.2% from June and 9.4% from July 1987.

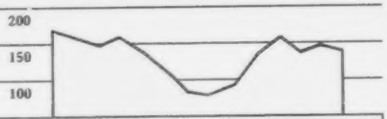
The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

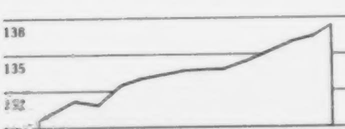
To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



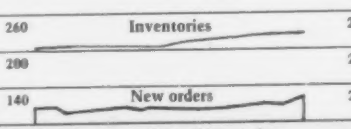
Consumer price indexes (1982-1984 average = 100) all urban consumers, unadjusted (Dept. of Labor)



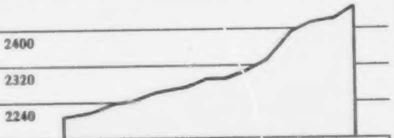
New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)



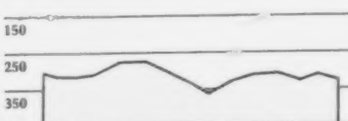
Industrial production index (1967 = 100) seasonally adjusted (Federal Reserve)



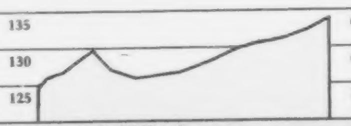
Manufacturers' new orders and inventories ($billions) seasonally adjusted (Dept. of Commerce)



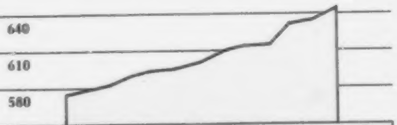
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)



Retail store sales ($billions) seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

push insurance through Merrill's broker network. Both were remarkably successful, bringing in billions of dollars of premium income in their first two years of operations.

But Equitable—strapped for capital—couldn't put the newly sold insurance on its books. Last year alone Equitable, largely due to its capital scarcity, had to sell off $1.7 billion of insurance business to other insurers. In the end, then, Carter's sales efforts benefited other insurance companies. This summer Integrity Life was sold to an Australian outfit. Merrill Lynch has upped its stake in Tandem from 25% to 65%.

The bottom line: Equitable's capital shortage will likely condemn this once-venerable institution to at least two more years of stagnant asset growth—and perhaps even outright shrinkage.

With Walsh gone and Carter's power apparently eroded, can Dick Jenrette straighten out the mess? Jenrette is a sharp contrast to the typical Equitable chieftain of the past. With Dan Lufkin and William Donaldson, he founded in 1959 the brash young brokerage house of Donaldson, Lufkin & Jenrette. The young trio proceeded to shake Wall Street by bringing their firm public, becoming the first New York Stock Exchange member firm to do so. There is speculation that Jenrette may want to do something similar at Equitable. If he straightens the company out, Equitable could try a public stock offering *(see box)*.

Chairman Richard Jenrette came into Equitable in 1985 saying he didn't know much about insurance. But he crammed, and passed his underwriter's exam in record time. Can he move as fast to straighten out Equitable?

Jenrette came into Equitable as softly as a cat back in 1985. "I don't really know the insurance business," he told people. But in fact he had begun his career in 1951 selling insurance for New England Life. As soon as he arrived at Equitable, Jenrette studied up and quickly passed his insurance underwriter's examination.

Jenrette has been working to solve a longtime problem at the Equitable: the schism between the investment and sales sides of the business. Randall Proctor, a former Equitable executive in New York and agency head in Raleigh, N.C., has been hired as a consultant to explain the GIC problems and other financial complexities to the sales agency managers around the country. For generations this 11,000-person agency force has been the proving ground for Equitable's future executive talent. By hiring elder-statesman Proctor, the company seems to be acknowledging that bringing in the money is not enough. Managers also must learn how to put it profitably and safely to work.

While pleading innocent to being behind the boardroom coup, Jenrette concedes that he is taking a more activist role than previous chairmen of Equitable Life.

He has his hands full. ■

Thin cushions

Many mutual life insurance companies would love to go the way of Wall Street: issue stock to the public. How better to raise the capital they need to book more insurance and to build new businesses in stockbroking and mutual funds?

New York just last month passed legislation to allow mutuals to convert to stock companies, which would enable institutions such as Equitable, Mutual of New York and Metropolitan Life to make public stock offerings should they choose to do so. Demutualizing, as the process is known, has proved costly and cumbersome in the past. Nonetheless, eager investment bankers are drawing up proposals to split ownership between new stockholders and the mutuals' current owners—the policyholders.

Clearly, the mutuals need capital. Essentially, capital is a cushion against unexpected risk; and regulators are reluctant to let insurance companies without adequate capital take on new business. There aren't yet any hard and fast rules, but on average the industry's capital-to-assets ratio is 6.6%. Some big mutuals, by contrast, have 4% or less *(see table)*.

Many people blame the capital shortage on the ragtag army of state regulators who have permitted some mutuals to operate on thin capital margins. Unlike the U.S. banking industry, where federal regulators have pressed for higher capital margins, the states have had little success. Critics say state regulators are all too often under the thumb of insurance industry giants. Even state officials concede their inadequacies. Says Kenneth Merin, New Jersey insurance commissioner, "It is important to make sure companies do have adequate capital, and this needs to be done at the federal level."

—Gale Eisenstodt and E.A.F.

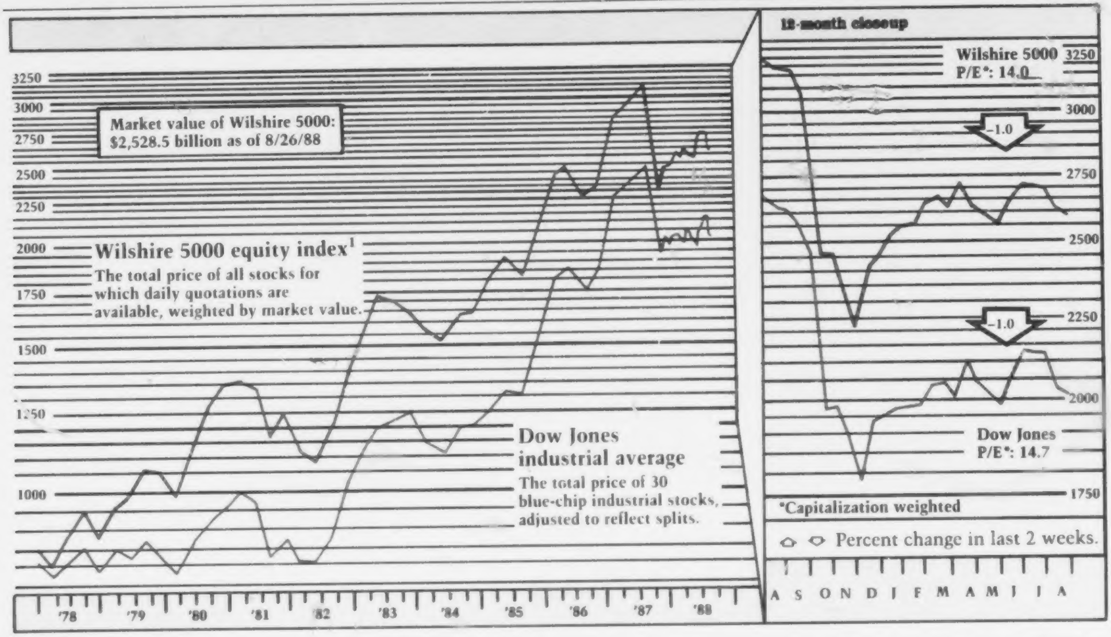
The top ten U.S. life insurers

Company	Assets	Capital & surplus	Capital ratio
Prudential Insurance	$108.8 bil	$3.47 bil	3.2%
Metropolitan Life	88.1	3.01	3.4
Equitable Life	49.3	1.25	2.5
Aetna Life	45.7	1.22	2.7
Teachers Insurance	33.2	1.38	4.2
New York Life	31.8	1.85	5.8
Travelers Insurance	28.6	0.96	3.4
John Hancock	27.4	1.01	3.7
Connecticut General	26.8	1.23	4.6
Northwestern Mutual	22.6	1.04	4.6

Source: A.M. Best Co.

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Should you get out of the market? The recent low level of trading volume and the slow crumbling of share prices can't all be blamed on summer vacations. Volume on Aug. 26 of only 89 million shares was the lowest of the past 12 months, almost as low as the day after last Thanksgiving, which is traditionally one of the slowest trading days of the year. An eerie parallel has developed between today's market and that of the Depression market. After 1929's black Monday, and some feeble comeback attempts, prices drifted lower on weak trading volume. Monthly volume of 39.9 million shares in August 1930 was the lowest in three years. Then, in the last four months of 1930, the Dow took a 31.5% drubbing.

But you can find optimists. Laszlo Birinyi, a market analyst with Salomon Brothers, for example, expects people to get off the sidelines in due course. "Once the economic and political uncertainties become clearer," he says, "the market will move up to a new recovery high."

Closeup On the Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	-4.0	-4.1	-5.2	-4.0	-4.0	-3.3
in last 52 weeks	-19.5	-20.3	-23.6	-19.5	-18.3	-17.4

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 23	under 9	over 4.7%	none	high	low	over $35	under $4
in last 4 weeks	-3.6	-0.7	-3.1	0.3	-3.3	-2.3	-0.7	-1.9	-1.9	-2.2	-3.5	-1.8
in last 52 weeks	-15.4	13.7	13.3	2.7	-11.1	-4.9	-1.4	16.1	12.0	-1.9	-11.5	8.3

[1] Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2] Based on sales. [3] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

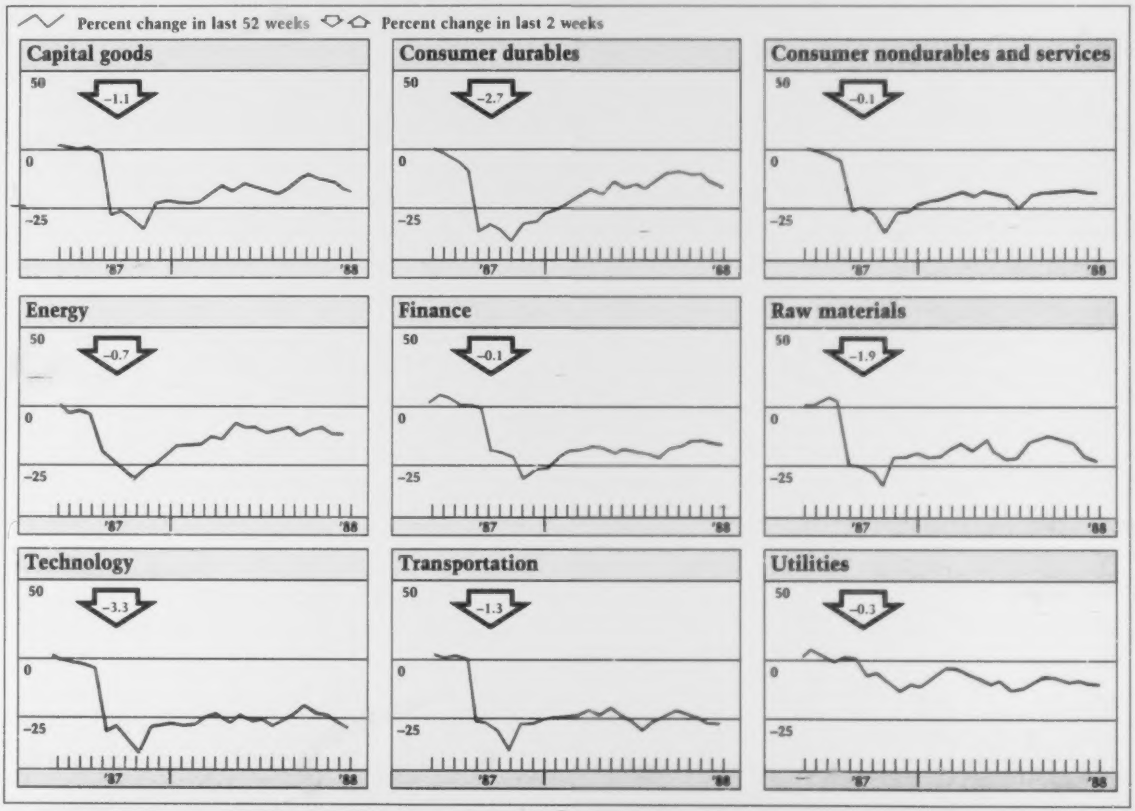
Steven Ramos

Note. All data for periods ending 8/26/88. Prepared by Wilshire Associates, Santa Monica, Calif.

Where the Action Is

Cheaper technology. The biggest casualty in the past two weeks was the technology sector, where a 3.3% loss leaves the group in the back of the doghouse. Bull market leaders such as Digital, Lotus and Seagate Technology are now at 52-week lows. IBM, trading at a modest 112, is only 21 above its 1973 high. In 1973 IBM earned $2.70 per share and traded at a hefty six times book; today the stock is less than two times book. Analyst John Jones of Montgomery Securities in San Francisco is looking for IBM to earn $9.87 this year and $11.85 next year. He rates the stock a buy.

The big winners? U.S. Shoe gained 40% on news of a possible sale or restructuring of the company. Also up was Wickes, up 54% for the same reason.



What the Analysts Think

The forecast for heavy industry improved in the last two weeks, as analysts raised their 1988 estimate for consumer durables. Lamson & Sessions, which makes thermoplastic pipe and automotive parts, saw its 1988 estimate rise over 19%. B.F. Goodrich, Champion Spark Plug and General Motors show slightly higher estimates.

Forecasting the Forbes Sales 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.78	13.3
1988 estimates	3.59	10.3
1989 estimates	3.96	9.3

Rank based on change in estimate	Sector	Estimated 1988 EPS	Estimated 1988 P/E	% change in 1988 estimate in 2 weeks	% change in 1988 estimate in 4 weeks
1	Consumer durables	$4.65	11.3	1.06%	2.57%
2	Raw materials	3.18	9.4	0.85	2.89
3	Energy	3.09	12.0	0.69	1.33
4	Capital goods	2.65	14.0	0.01	0.51
5	Technology	2.92	11.1	–0.04	0.06
6	Utilities	2.40	9.7	–0.08	–0.15
7	Consumer nondurables	2.45	12.9	–0.23	–0.49
8	Transportation	2.34	10.8	–0.58	0.19
9	Finance	3.44	8.3	–0.99	–1.39

Earnings projections are capitalization-weighted consensus estimates from over 3,000 security analysts. Data are compiled and updated continually by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 8/26/88. Prepared by Wilshire Associates, Santa Monica, Calif., IBES, a service of Lynch, Jones & Ryan, New York.

Statistical Spotlight

The cash flow play in steel stocks is over. But there are other ways to profit from a resurging industry that was given up for dead almost two years ago.

Steel numbers

By Jack Willoughby

WHAT A COMEBACK: A little over a year ago Bethlehem Steel, the country's third-largest steel producer, was trading at 4⅝. Now it's at 20¾. And still it looks cheap, with cash flow per share for 1988 estimated at $10.50 by *Value Line*.

Chriss Street, a manager in the reorganized securities group of Bateman Eichler, Hill Richards in Los Angeles, has a word of advice for people about to buy steel stocks on the strength of their cash flow: Don't. There are some buys in this industry, he says, but they can't be spotted with a simple price-to-cash-flow ratio, and Bethlehem Steel isn't one of them.

In almost any other industry, a stock at two times cash flow would be takeover bait. If a stock is at two times cash flow, an acquirer could, in theory, buy the entire company and recoup its outlay in two years, assuming it reinvested nothing in plant and equipment.

But Bessie's strong recovery hides severe problems, says Street. They have to do with pension obligations. The company's unfunded liability—the amount by which its pension fund falls short of the money that should have been set aside from past payrolls—is a staggering $1.3 billion, or $17 a share. Put that back onto Bessie's balance sheet with the other liabilities, and the net worth (book value) of the company is wiped out.

A pension liability is more than a bookkeeping entry. It crimps the company's operations. Bethlehem might want to close old, inefficient plants, but it can't afford to. That's because past liabilities are eating up current profits. The liabilities only become larger if plants shut down, and with capacity down, those costs are loaded onto fewer tons of steel. Says Street: "People have assumed, incorrectly, that it's happy days again. But if demand falls back [further] to more realistic levels, liabilities like big unfunded pensions will stand pretty tall."

The good and the ugly

In judging a steel company, look beyond cash flow to pension debts. USX and Inland are overfunded, Armco and Bethlehem badly behind.

Company		Cash flow[1]	Pension surplus or liability	Book value[2]	Pension contribution[1]	Recent price
Inland	Buy	$10.50	$9.35[3]	$36	$0	35⅝
USX	Buy	8.00	3.09[3]	18	0	27¼
Armco	Sell	2.60	–4.54	8	0.82	9⅞
Bethlehem Steel[4]	Sell	10.50	–17.00	15	2.29	20¾

All data per share. [1] 1988 estimate; net income plus depreciation. [2] Dec. 31, 1987. [3] Estimated Dec. 31, 1988 pension surplus, including excess pension fund earnings for 1988. [4] Reflects May share offering.

Sources: Bateman Eichler, Hill Richards Inc.; Value Line.

To be sure, the U.S. steel business has come a long way in the past five years. Steelworkers are more than a third more productive, producing a ton in five hours of work rather than eight. The capacity cutback, coupled with a declining dollar for most of the past three years that has made foreign steel more expensive, enables steelmakers to raise prices. In July cold rolled sheet went up as much as 5% at several producers, to $578 a ton.

This good fortune has landed with particular impact on the least efficient companies. Salomon Brothers says that Bethlehem's operating profit (profit before taxes and interest, and after depreciation) was about $63 a ton in the second quarter, up from $19 the same period last year. USX, which was in better shape to begin with, saw a less dramatic gain, from $31 to $70 a ton. Says Street: "In the early stages of a commodity rebound, the most inefficient producer gets the biggest bang." Thus investors must be careful not to project earnings-per-share growth into future years.

What will set successful steel companies apart will be their ability to upgrade and shift production as the boom starts to slow. Bethlehem will be hamstrung by its pension drag. So will Armco. But two strong companies without unfunded pension liabilities have the financial elbowroom to modernize and/or change their product mix: Inland Steel and USX. They're both trading at three times cash flow, more than Bethlehem. But they're both cheaper than Bethlehem and Armco in relation to book value, at least if book value is adjusted downward for the pension debt.

Street, whose specialty at Bateman is poring over bankruptcy court filings in search of special situations, has another buy recommendation: bonds of bankrupt LTV. "The LTV that will emerge is drastically different from the one that was put into bankruptcy in July 1986. But the bonds are still trading for those 1986 prices," he says. The Chapter 11 filing enabled the company to dump 35% of its capacity and 50% of its workers. After some haggling with the federal agency that insures pensions, LTV may be able to walk away from 25% of its $2.9 billion unfunded liability. The price of this reorganization will be a sharp haircut for the stockholders. Bondholders, Street says, will wind up owning most of the equity in the company. Street recommends the LTV Corp. 5s of 1988, recently trading at 31, and Republic Steel's 8.9s of 1995 at 31¼. ■

The Forbes/TUCS Institutional Portfolio Report

Edited by Steve Kichen

MARKET TIMERS are back, but they aren't doing terribly well, at least for institutional investors.

Timing—switching between stocks and either cash or bonds—was a popular theme in the 1970s. The idea was to participate in bull markets while deftly sidestepping bear markets by switching out at the right moment. After falling into disrepute for a while the strategy has enjoyed a resurgence. Renamed "asset allocation," it has a strong following again among pension sponsors. For the retail trade there are a dozen or so mutual funds that aim to asset-allocate their way around market crashes.

The mutual funds are for the most part too new to judge, but data are in on the pension managers. They come to us from the Trust Universe Comparison Service, managed by Santa Monica, Calif.-based Wilshire Associates. TUCS monitors 4,500 pension accounts, which hold 20% of the country's $2 trillion in corporate and government pension assets.

TUCS finds that, over the past two years, the average market timer delivered a 6.5%-per-year return. That isn't terrible, but it lags behind three of the five other strategies TUCS follows *(see table at lower left)*. This period, however, should have been an ideal environment for a timer, what with a powerful bull market followed by a big crash. Someone who caught the up move and then switched out before the crash would have soundly beaten any of the buy-and-hold strategies.

If we include all six strategies, the average institutional equity manager performed in line with the market in the most recent quarter, with a 6.4% total return (dividends plus capital gains or losses). The Wilshire index of 6,010 stocks posted a similar return of 6.6%.

Common stocks had the best returns during the quarter and strongly outperformed both fixed income and cash. But this only helped to close the 12-month gap created by last October's debacle. Over the last 52 weeks fixed-income accounts enjoyed a median total return of 7.6%, while equity investments are off 5.9%.

Pension managers have been adding slightly to their equity holdings while pulling out of fixed income *(see "Segment performance" at right)*. But James D. Awad of BMI Capital says he's not looking to pension funds to prop up the equity market. "Foreigners, public funds, individuals and corporations—any one of these alone will trigger the next up move," he says.

How different managers performed

Manager style	Total return[3] recent quarter	12 months	24 months[4]
Diversified	5.7%	–4.8%	7.8%
Growth	5.8	–6.9	5.9
Growth—emerging	7.0	–2.6	5.6
Market timer	5.1	–2.7	6.5
Sector rotator	5.6	–5.2	6.6
Value	6.7	–3.0	8.7

Where the institutions put their money

Segment	—Portfolio weighting— most recent quarter	previous quarter
Equity	60.1%	57.2%
Fixed income	28.9	30.9
Cash and equivalents	10.4	10.8
Convertibles	0.1	0.7
Other[1]	0.5	0.4

Equity portfolio characteristics

	Institutional portfolios	Wilshire 5000
Price/earnings ratio	15.1	14.9
Dividend yield	3.2%	3.3%
Beta[2]	1.05	1.06
Price/sales ratio	1.33	1.40
Price/book ratio	2.87	2.30

Segment performance and cash flows

Segment	—Most recent quarter— median total return	shift in institutional holdings	—Latest 12 months— median total return	shift in institutional holdings
Equity	6.4%	0.6%	–5.9%	–2.0%
Fixed income	1.1	–2.8	7.6	–7.4
Cash equiv	1.7	–4.5	7.2	–15.3
Convertibles	4.6	–6.7	–0.5	–1.1
Other[1]	1.6	0.0	6.4	–5.2
Total	4.7	–0.8	1.8	–4.7

Position changes: These securities had the greatest relative change in holdings over the last quarter

Security	Increase in holdings	Total quarter return	Security	Decrease in holdings	Total quarter return
General Motors	2.6%	14.2%	**Amoco**	–2.7%	–0.3%
Ford Motor	2.2	25.8	**Baxter Intl**	–2.3	–10.9
Federal Nat Mtg	2.1	36.1	**American Brands**	–1.9	11.0
Alcoa	1.8	23.2	**BellSouth**	–1.8	12.7
Digital Equip	1.7	9.9	**Am Home Prods**	–1.8	–2.6
Cincinnati Bell	1.6	26.7	**Bell Atlantic**	–1.5	10.2
Cigna	1.5	1.9	**Pfizer**	–1.4	–5.4
Warner Comm	1.5	19.8	**AT&T**	–1.4	0.2
First Chicago	1.5	33.9	**SmithKline**	–1.2	–15.5
Syntex	1.4	23.0	**Philip Morris**	–1.2	–5.4

[1] Real estate, foreign investments, venture capital, guaranteed insurance contracts. [2] A measure of risk. A stock with a beta of 1.00 tends to move up or down at the same rate as the S&P 500. [3] Includes all forms of investments. [4] Figures for 24 months are annualized.

Note: Data for quarter ending 6/30/88. Prepared by the Trust Universe Comparison Service (TUCS®), a service of Wilshire Associates, Santa Monica, Calif.

Where the institutions are—and aren't

Most overweighted relative to Wilshire 5000			Most underweighted relative to Wilshire 5000		
	% of			% of	
Security	institutional universe	Wilshire 5000	Security	institutional universe	Wilshire 5000
Ford Motor	1.2%	0.8%	Exxon	1.3%	3.0%
Apple Computer	0.5	0.2	Matsushita Elec ADR	0.0*	1.3
Intel	0.5	0.1	Hitachi Ltd ADR	0.0*	1.1
Caterpillar	0.6	0.2	British Petroleum ADR	0.1	1.2
Alcoa	0.5	0.2	IBM	3.3	4.3
Warner Communications	0.5	0.2	AT&T	0.7	1.6
Philip Morris	1.3	1.0	General Electric	1.5	2.3
Digital Equipment	1.0	0.8	Royal Dutch Petroleum	0.8	1.5
Computer Associates	0.2	0.0*	Glaxo Holdings ADR	0.0*	0.7
Unocal	0.4	0.2	BellSouth	0.5	1.1

Ford is number one with the institutions. With a 50% overweighting relative to its market capitalization in the Wilshire index, Ford tops the list of institutional darlings. Ford has surpassed GM in profits the last two years and raised its dividend four times during this span.

Of the nine Wilshire sectors, raw materials lost the most weighting in the institutional portfolio in the June quarter. That sector, which includes Dow and Du Pont, has exhibited strong earnings momentum. But institutions are looking ahead to the next recession.

Sector activity and top holdings

% of institutional portfolio: ■ most recent quarter ■ previous quarter

Capital goods	5.4% 6.2%	Consumer durables	4.8% 4.3%	Consumer nondurables	28.4% 28.9%
	total return		total return		total return
General Electric	9.6%	Ford Motor	25.8%	Philip Morris	–5.4%
Caterpillar	8.9	General Motors	14.1	Merck	8.1
Westinghouse Electric	9.7	Chrysler	4.9	Wal-Mart Stores	9.0
Emerson Electric	7.5	Goodyear Tire & Rubber	2.2	Coca-Cola	6.6
Cooper Industries	0.8	Matsushita Elec ADR	–12.3	Squibb	–1.4

Energy	9.3% 8.8%	Finance	12.3% 11.7%	Raw materials	14.1% 15.2%
	total return		total return		total return
Exxon	9.4%	American Express	13.7%	Dow Chemical	12.3%
Amoco	0.3	American Intl Group	8.8	EI du Pont de Nemours	16.2
Atlantic Richfield	–4.2	JP Morgan	18.1	Waste Management	2.1
Royal Dutch Petroleum	–4.5	Citicorp	32.4	Monsanto	9.2
Mobil	–0.4	Aetna Life & Cas	4.5	Alcoa	23.2

Technology	16.5% 15.1%	Transportation	4.4% 4.1%	Utilities	4.8% 5.7%
	total return		total return		total return
IBM	19.5%	Union Pacific	2.5%	AT&T	0.2%
Digital Equipment	9.9	CSX	–10.1	Nynex	5.2
Hewlett-Packard	–8.1	Norfolk Southern	8.1	BellSouth	12.7
Apple Computer	15.8	Ryder Systems	–2.1	Southwestern Bell	11.2
Boeing	27.4	Burlington Northern	3.8	Pacific Telesis	6.0

*Exact figure is less than 0.05%.

WHY PEACE IS
BULLISH FOR
ARMS MERCHANTS

WHERE THE
NEW JOBS ARE
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Cover illustration by Robert Grossman

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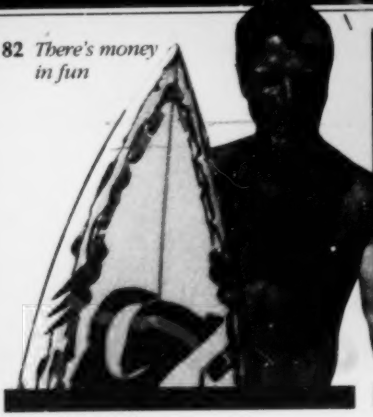

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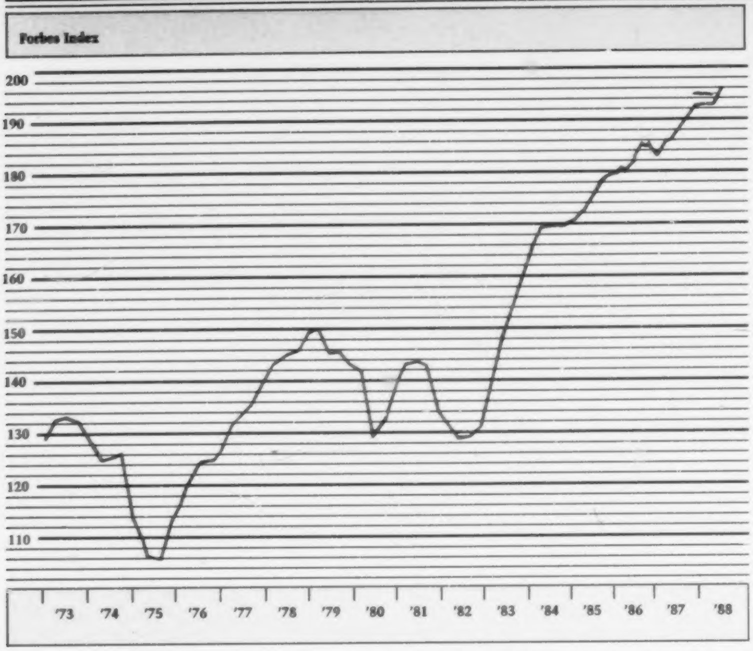
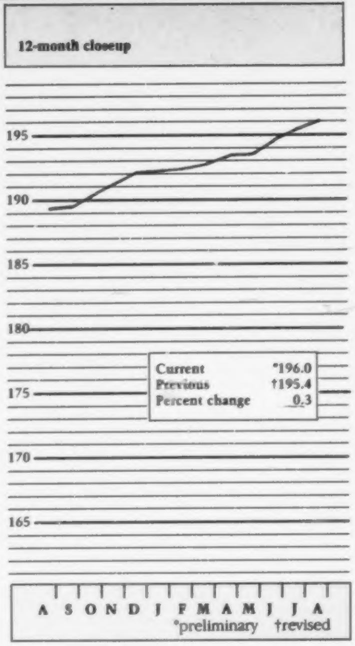
The Forbes Index


Forbes Index

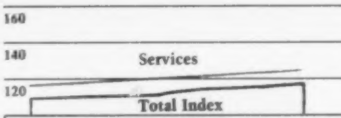

12-month closeup

Uneven results. The Forbes Index ended July with a 0.3% month-to-month gain, but the overall number covers decidedly mixed trends in several components of the Index. New claims for unemployment insurance fell 6.3% in August, but the overall unemployment rate climbed 0.2% during the same period, as factory payrolls declined for the first time since January 1987. Manufacturers' inventories rose in July by 0.7%, but new orders dropped 7.1%. One factor in the decline was higher prices of raw materials and parts. July retail sales were up 0.5%, a small gain from June, while consumer installment credit fell 0.4%, down almost 0.9% from the previous month. Consumers would appear to be curbing their use of credit more than their buying habits.

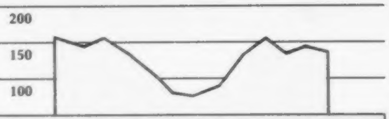
The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

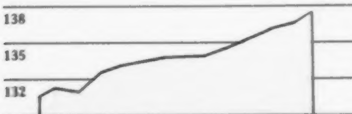
To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



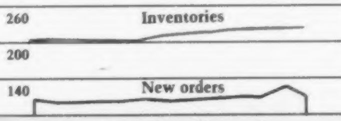
Consumer price indexes (1982-1984 average = 100) all urban consumers, unadjusted (Dept. of Labor)



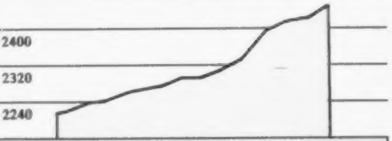
New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)



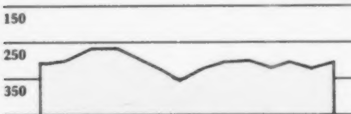
Industrial production index (1967 = 100) seasonally adjusted (Federal Reserve)



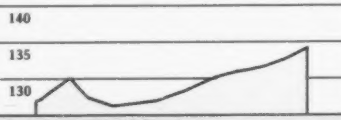
Manufacturers' new orders and inventories ($billions) seasonally adjusted (Dept. of Commerce)



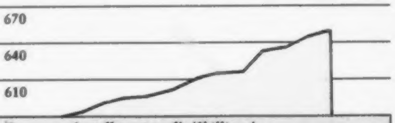
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)



Retail store sales ($billions) seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

Insurance companies are teaming up with mutual fund houses to sell you variable life and annuity policies. Here are some things the salespeople may not tell you.

If you don't understand it, don't buy it

By John R. Hayes

JOSEPH RAFFERTY, a retired California citrus farmer, is one unhappy man. Last year Rafferty asked his broker to recommend a tax-exempt investment for $50,000 he had received from a mortgage payment. Instead of suggesting a tax-exempt bond, say, or a fund that invests in tax exempts, the broker put him into Prudential's Conservatively Managed Flexible Portfolio, a mutual fund investing in stocks and bonds. The broker told him the fund should return 6% to 14% annually, tax exempt. On top of that, the investment came with a life insurance policy that would pay his wife over $100,000 when he died. "Sort of like frosting on the cake," says Rafferty.

One year later, instead of a 6% or 14% gain, Rafferty's investment showed a loss of $757.25. Disenchanted, he considered cashing in. Prudential said fine, but there would be an 8% exit fee.

Welcome to the problematic world of variable life and variable annuity policies. These are hot items lately, chiefly because there is indeed a tax angle to them. But it's not the straightforward exemption Rafferty envisioned. In short, in the already complex world of life insurance, variable policies add yet more complexity.

Insurers began pushing variables harder as whole life policies, with their fixed returns, became tougher to sell to people worried about inflation. Variable policies promise no fixed or minimum return, but no ceilings, either. The policyholder decides where to invest his premiums. (Variable annuities differ from variable life in the same way that any annuity differs from a conventional life insurance policy—the policyholder gets a lump sum, or a series of payments, at a future date, rather than his beneficiary's getting the money on his death.)

The tax angle, as such, is straightforward—as the investment portion of the life and annuity grows, taxes are deferred. If a life policyholder dies, his beneficiary will pay no tax on the death benefit. Taxes get paid on annuity policies as the money is distributed, possibly at a lower rate after retirement.

Brian Ajhar

So there's nothing wrong, in theory, with variable policies. Like any other investment strategy, they have strengths and weaknesses. Trouble is, as Joseph Rafferty learned too late, they are too often oversold, misrepresented, or both. And even the most scrupulous sales pitch can be misconstrued by people with short attention spans. Anyone contemplating a variable policy had better get two things straight.

First, the returns on such policies do indeed vary *(see table, p. 102).* The future payout depends on the performance of the underlying investments—and last October taught us all how unpredictable that is. Typically, policyholders get a choice of stock, bond and money market mutual funds. If you buy Nationwide Life Insurance's Best of America II variable annuity, for example, you may choose among 13 mutual funds managed by five investment companies. Integrated Resources even sells an annuity backed by commercial real estate mortgages.

Second, as Rafferty discovered, investors who surrender their policies will be charged for the privilege. Annuities are usually sold without sales loads, but insurance companies do penalize holders for early withdrawal. Penalties start anywhere from 5% to 10% in the first year and gradually step down, over five to ten years, to nothing. In early years, then, those penalties will more than wipe out anything saved on the tax deferral. In addition, the IRS will impose a 10% tax penalty on an annuity surrendered before age 59½.

In our view, investor Rafferty was steered into the wrong kind of investment—for him. But for some people variable policies are a good deal. They are among the last surviving tax shelters, and insurance companies and mutual funds are pushing them hard. (Keep in mind, however, that Congress may curtail this tax advantage.)

Picking a variable on the basis of performance is a daunting task. In showing how your money might grow, sales folks can be virtuosos at juggling assumptions to illustrate hypothetical cases.

Transferring the risk

Buy a variable life or variable annuity policy and the insurance company lets you decide how to invest the premiums. Pick the right mutual fund and you may do better than you would have done with a whole life policy. (Caution: Exit fees will kill you if you surrender too early.) Pick the wrong mutual fund and you'll be looking at mighty small retirement payments down the road. Performance figures below relate only to variable annuities; variable life policies include charges that vary with individual policyholders.

	Total net assets ($mil) 6/30/88	5-year average annual return[2]	Product
Stock funds			
Best			
Nationwide Variable Account II Common Stock	$156.6[3]	15.9%	VA
Guardian Park Avenue Fund[1]	184.5	15.5	VA
Guardian Stock Fund	179.4	15.1	VL & VA
Worst			
Value Line Special Situation[1] (Guardian Life)	1.0	-4.4	VA
Variable Annuity Fund I of Southwestern Life[1]	6.9	2.4	VA
Security Benefit Life Fund Series A	127.6	3.3	VL & VA
Bond funds			
Best			
Kilico Income Separate Account	114.5	14.6	VA
Northwestern Mutual Life Bond Fund	35.9	12.4	VA
Equitable Trust Bond Portfolio D[1]	3.8	12.2	VA
Worst			
Value Line Income Fund (Guardian Life)[1]	5.0	7.1	VA
Hartford Variable Annuity Fixed Income	50.1[3]	9.1	VA
Nationwide Variable Account II Bond Fund	63.2[3]	9.2	VA
Balanced funds			
Best			
Northwestern Mutual Life One Fund	941.0	11.6	VA
Hartford Variable Annuity Adviser's Fund	239.6[3]	11.4	VA
Security Benefit Life Fund Series B	84.6	11.3	VL & VA
Worst			
Kilico Total Return Separate Account	213.3	7.6	VA
Prudential Aggressively Managed Flex. Portfolio	1,153.2	9.5	VL & VA
Prudential Conservatively Managed Flex. Portfolio	862.6	9.8	VL & VA

[1] Sale of related insurance product may be restricted. Fund may still be open to qualified insurance and noninsurance investing. [2] Relates to variable annuities only, net of all fees as of 6/30/88. [3] As of 12/87.

Sources: Lipper Analytical Services, FORBES

Rick Carey, president of Miami-based Financial Planning Resources, has spent 18 months developing a database to compare risk and performance of variable annuity products. Complicating his task are about ten insurance companies that choose not to cooperate with him. "Insurance companies have a tough time understanding the fishbowl approach to securities," Carey says. "If you're going to play in the securities game, you ought to disclose everything, but many agent-only companies won't give you data."

Where there is data, the numbers don't always mean what they seem. Buy an annuity and your entire premium will be deposited in the fund of your choice. But don't look at the fund's net asset value to measure your investment's performance. Net asset value will report what happens to your money after the fund manager takes his fees—maybe 60 basis points. It won't show the extra point or so charged by the insurance company to cover claims and administration costs. Instead, look for something called "accumulation unit value"—the real bottom line.

Measuring the performance of a variable life investment presents a further problem. First there's usually a sales load, often taken gradually over five or ten years. Then there's the cost of insurance. Insurance companies will either deduct that up front from the premium or take their time about it through daily or monthly charges against the account. Either way the charge is based on actuarial risks that differ from policyholder to policyholder. Beware, then, of all generalities about variable life policy returns: Results will vary with individual investors.

For all these difficulties, one thing is plain: Performance varies all over the map. Guardian Life sells one of the best performers in the business, the Guardian Stock Fund. It has also put policyholders into one of the worst, the Value Line Special Situation Fund. (The fund is no longer offered with an insurance wrap; the 1982 tax act mandated no mixing of insurance assets with regular mutual fund assets.) Sticking stubbornly to that fund has cost investors 20% in five years. But even good past performance is no guarantee of future performance.

Glenn Daily, an insurance analyst at Seidman Financial Services, thinks that a variable life policy can be an effective way to increase your estate and pass it tax-free to your heirs. But for straight insurance value, Daily says, stick with traditional cash value policies or term insurance, which are currently priced better.

Daily also cautions investors to be wary of illustrations that show variable annuities outperforming a straight mutual fund investment. Insurance agents often amplify the tax disadvantages of the mutual fund and ignore the possibility that Congress may change the rules of the game. Or that the investor may change his own mind later.

It's all quite complicated, and, under the circumstances, about the best advice we can give the average investor is that if you don't understand how these things work and what the drawbacks are, don't buy them. You would be better off sticking with straight life and investing the difference in a good mutual fund selected from FORBES' annual survey *(Sept. 5)*. ■

It used to be you hoped Grandpa would leave you a piece of an oil well. Now you'd rather he left you some "intellectual property"— a piece of a marketable entertainment image.

The new aristocracy

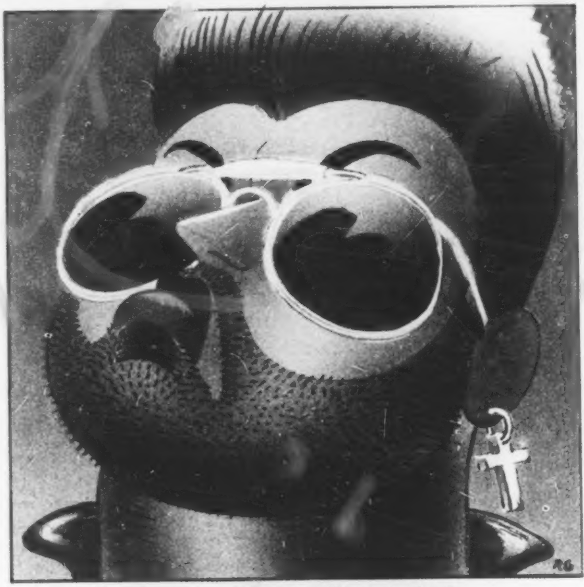
By Peter Newcomb

IN JANUARY of this year Woody Allen, the talented but neurotic filmmaker, filed a lawsuit against Men's World clothing store in New York. The store had run an advertisement with a photo of an Allen look-alike. The decision, handed down by a Manhattan federal judge, ruled in favor of Allen, saying the look-alike "evoked the 'schlemiel' persona Allen cultivated up through his appearance in *Annie Hall.*" The court felt that this sad-sack persona was Allen's sole intellectual property.

Five months later in California, Bette Midler, the buxom, brassy songstress and film star, won reinstatement of a similar case against the Ford Motor Co. for a TV commercial that seemingly attempted to duplicate Midler's distinctive voice—thus appropriating her intellectual property.

Intellectual property. As the concept broadens—it originally covered only copyrights, patents and ideas—so does the wealth of the entertainment community, which is fast becoming one of the biggest generators of capital in the U.S. economy. Today an entertainer is no longer just paid a fee for his or her work but retains an ownership in an image, a style, and can derive a continuing stream of income from it.

Illustrations by Robert Grossman



Pop star George Michael wisely left Wham! for a solo career. His debut album, *Faith*, has sold over 15 million copies worldwide. An accompanying world tour should help Michael earn over $36 million this year.

It wasn't always thus. Witness the 1979 suit filed by the heirs of horror star Bela Lugosi against Universal Pictures. The Lugosi heirs felt that portrayals of Dracula, the vampire character made famous by Lugosi, infringed on their rights to the character. The courts ruled in favor of Universal on the grounds that Lugosi had not merchandised himself while alive and that, therefore, his heirs could not claim the exclusive rights to do so now.

This attitude changed when, in 1982, a decision in favor of the Martin Luther King Center for Social Change and against American Heritage Art Products came out of the Georgia Supreme Court. The business firm (no relation to *American Heritage* magazine) had been selling a plastic bust of Reverend King. The King opinion said the older verdict was ridiculous, because King would have had to market T shirts and other memorabilia while he was alive in order to protect his rights after he was dead. This decision helped define the concept of intellectual property.

The question of whether this protection is fair or not will be answered on legal battlefields in years to come. Arguments and legislation pervade all areas of the topic. Los Angeles attorney Fredric Leopold, for one, doesn't like the law. Among his clients is comedian Rich Little. Little is an impersonator. Under debate now is

The top 40

Below, the entertainers making the most money; nowhere else, with the possible exception of Wall Street, are so many making so much.

Rank 1988	Rank 1987	**Star**/age/*occupation*	Gross income 1987 ($mil)	Gross income 1988 ($mil)	Gross income Two-year total ($mil)
1	9	**Michael Jackson**/30/*pop singer*	37	60	97
2	1	**William H. Cosby Jr.**/51/*actor, comedian, author*	57	35	92
3	6	**Steven Spielberg**/40/*movie producer, director*	23	41	64
4	2	**Sylvester Stallone**/42/*actor, writer*	21	42	63
5	5	**Eddie Murphy**/27/*comedian, actor*	27	35	62
6	4	**Charles M. Schulz**/65/*cartoonist (Peanuts)*	30	32	62
7	3	**Bruce Springsteen**/38/*rock singer*	27	34	61
8	35	**Mike Tyson**/22/*boxer*	10	45	55
9	7	**Madonna (Louise Ciccone)**/30/*pop singer*	26	20	46
10	15	**Arnold Schwarzenegger**/41/*actor*	18	25	43
11	11	**U2**/*rock group (4 members)*	29	13	42
12	10	**Johnny Carson**/62/*tv host, producer*	20	20	40
13	—	**George Michael**/25/*pop singer*	2	36	38
14	40	**Oprah Winfrey**/34/*tv host, producer*	12	25	37
15	13	**Jim Davis**/43/*cartoonist (Garfield)*	16	20	36
16	14	**Bon Jovi**/*rock group (5 members)*	19	15	34
17	8	**Whitney Houston**/25/*pop singer*	24	6	30
18	23	**Paul Hogan**/46/*movie actor*	10	19	29
19	—	**Pink Floyd**/*rock group (3 members)*	14	15	29
20	37	**Julio Iglesias**/44/*pop singer*	4	24	28
21	34	**Sugar Ray Leonard**/32/*boxer*	13	14	27
22	16	**Kenny Rogers**/49/*country singer*	16	10	26
23	22	**Stephen King**/41/*novelist, screenwriter*	15	10	25
24	—	**Tina Turner**/48/*singer, actress*	21	4	25
25	25	**Tom Selleck**/43/*tv and movie actor*	11	14	25
26	17	**Van Halen**/*rock group (4 members)*	3	22	25
27	—	**Andrew Lloyd Webber**/40/*composer*	10	14	24
28	—	**Sting (Gordon Sumner)**/36/*rock singer, actor*	10	14	24
29	20	**Prince (Rogers Nelson)**/30/*pop singer*	8	16	24
30	36	**Jane Fonda**/50/*actress, exercise maven*	5	18	23
31	—	**John Cougar Mellencamp**/36/*rock singer*	11	12	23
32	—	**Grateful Dead**/*rock group (6 members)*	11	12	23
33	33	**Steve Martin**/43/*comedian, actor*	10	12	22
34	29	**Jack Nicholson**/51/*movie actor*	11	10	21
35	18	**Wayne Newton**/46/*pop singer*	12	9	21
36	27	**Michael J. Fox**/27/*tv and movie actor*	9	10	19
37	21	**Billy Joel**/39/*pop singer*	12	6	18
38	—	**Michael Spinks**/32/*boxer*	5	12	17
39	26	**Bruce Willis**/33/*tv and movie actor*	8	9	17
40	—	**Frank Sinatra**/72/*singer, actor*	4	12	16

FORBES projections. Sources include record, film and television executives; entertainment lawyers; *Amusement Business; Video Marketing Newsletter; Billboard; Variety.*

whether or not Little can legally recreate the personas of certain celebrities, politicians and other public figures. If an advertising agency can't use a picture of a Woody Allen look-alike to push men's clothing, can Little use Allen's persona to sell his product, stand-up comedy? Leopold thinks he should be allowed to do so. "The art is in the impersonation, not in the person being impersonated," says Leopold. "The beauty is in the performance itself."

Maybe so, but for many people the money is no longer in the performance but in the aura the performance left behind. Elvis Presley may be moldering in the grave but his money machine keeps rolling on. When the King made his final, feet-first departure from Graceland in 1977, he left his heirs "intellectual" property far more valuable than the $5 million or so he left them in physical property.

It costs $7.50 for adults to see the splendidly excessive Graceland mansio[illegible]ith 384 visitors moving through its halls during peak [illegible]. While they wait their turn, most visitors will spen[illegible]her $11 across the street touring Elvis' airplanes, eatin[illegible] at the Heartbreak Hotel [illegible]staurant and buying postcards and coffee mugs. Elvis look-alikes stroll the area free of charge—with no encouragement from management—and middle-age groupies can mingle with Elvis' Uncle Vester, who sits and talks to customers in one of the seven gift shops.

Forbes estimates that Graceland should bring Elvis' estate over $11 million this year. Not bad when you consider he bought it for $100,000 cash in 1957. "The return on equity is phenomenal," says Jack Soden, executive director of Graceland.

Elvis should get another $4 million or so this year from other sources. The biggest chunk comes from the licensing of Elvis' image on everything from ceramic masks to collector plates to commemorative lighters. The rest comes from music publishing and video and theatrical productions. The smallest contributor, and ironically the part that made Elvis king: records and movies.

All told, the Presley estate should gross some $15 million this year. If it were put on the market as an intellectual property, the estate could probably fetch $100 million or more.

And here's the real beauty of so-called intellectual property: Unlike run-of-the-mill real estate, say, or an oil well, this kind of property usually carries no overhead, no maintenance. What it brings in is almost pure profit. It is the nearest thing there is to an unencumbered source of wealth.

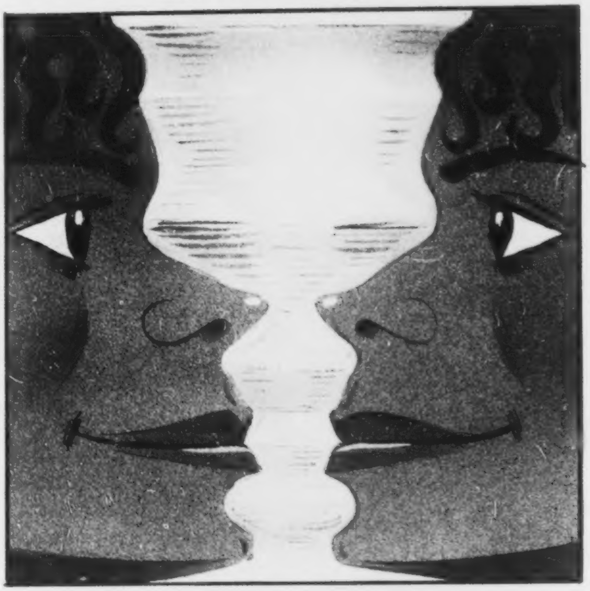
Elvis Presley has plenty of company. Crash-'n'-burn guitarist Jimi Hendrix, whose screeching rendition of "The Star Spangled Banner" still haunts FM radio stations on Independence Day, is selling between 2 million and 3 million records a year. Hendrix died in 1970, yet his *Live at Winterland* compact disc sold more than 200,000 copies over the last year. With licensing and music publishing, Hendrix' take should be over $4 million this year.

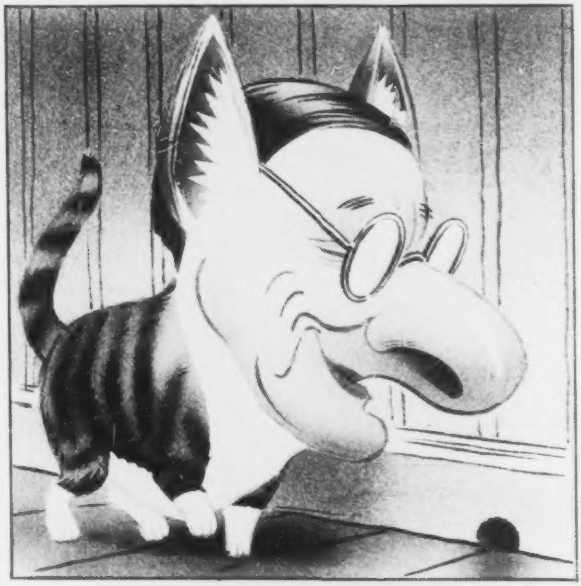
John Lennon is dead almost eight years, the Beatles disbanded longer, but Beatles and Lennon record sales go on and on. Last year the release of 14 Beatles compact discs brought worldwide sales to around 10 million copies. This year Lennon's estate probably should haul in some $5 million.

"People are hero worshippers," says attorney Leopold. "These [deceased] entertainers retain a strong hold on the minds of a lot of people who were around at the time."

But if the dead entertainers are raking it in, live entertainers are doing even better on this year's list of the Forbes Top 40 Entertainers. Number one is moonwalking Michael Jackson. On the tail of his enormously successful

Michael Jackson proved once again that he is pop music's reigning king. His album *Bad* has sold over 15 million copies.





T.S Eliot needn't scuttle in his grave. His share of Broadway's *Cats* is earning over $2 million a year.

Can you copyright a smile?

Owning a song is like owning an apartment," says Charles Koppelman, president of SBK Entertainment. "You can rent it, lease it or sell it."

Yes, but on the other hand new technology is complicating the protection of music and other forms of intellectual property. A hotly contested area of copyright infringement surrounds the practice known as digital sampling. Digital sampling occurs when an artist uses a computer to copy an excerpt of a song. In some cases the computer digitally replicates a voice or the exact tone of a note or series of notes in a given song. The artist will then layer that sample on top of his own recorded music.

Is this copyright infringement? Does it steal someone else's intellectual property? Entertainment lawyer Peter Paterno thinks it does. "What it means is that somebody can take something that might have taken weeks or months to create and duplicate it in 20 seconds with a microchip," says Paterno. "I think that is completely unfair."

Computers could soon be responsible for another type of copyright infringement: visual replication. The technology exists that would allow computers to take an image, say Marilyn Monroe, and recreate her likeness realistically enough to have her star in a movie. This would let the studios enjoy the benefits of having a big star without paying the stellar fees that usually accompany such big names.

But personality traits—voice, likeness, name, signature or image—are beginning to be considered assets tangible enough to merit protection in the courts. Enter California Civil Code 990. This code prohibits the use of likenesses of dead personalities. New York State Senator Emanuel Gold is sponsoring a similar bill in New York. "People can transfer corporate stock, they can transfer real estate, they can transfer their father's lumber business," says Gold. "They ought to be able to transfer the goodwill that their mother or father built up if they happen to have been in a celebrity-type business."

Gold is getting a helping nudge from licensing agent and attorney Roger Richman, who handles licensing of the image of Marilyn Monroe and others. He also helped write Code 990.—**P.N.**

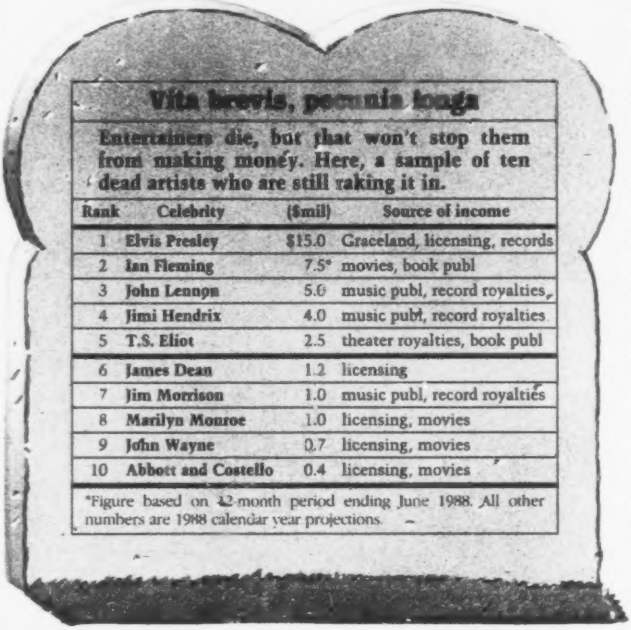
record *Thriller*—a record that sold over 38 million copies—Jackson released the album *Bad*. And while not nearly as successful as *Thriller*, *Bad* has already sold over 15 million copies worldwide, resting comfortably on the charts at number 40, a full year after its release.

Jackson is a musical phenomenon. Last year FORBES tried to project what he would make in 1987. Our best guess was that by year's end Jackson would haul in some $31 million. We estimated that his tour in Japan would probably make him $5 million. We were wrong. The tour doubled our expectations.

This year Jackson embarked on a worldwide tour with over 140 scheduled dates. After his cut of T shirt and merchandise sales, Jackson should make over $40 million on the tour alone. Add that to income from sales of his autobiography, *Moonwalk*, Pepsi endorsements and other music publishing (including the Beatles catalog), and Jackson should earn at least $60 million this year. If he is not already a centimillionaire, he soon will be.

If Jackson has no rivals among rich entertainers, he does have plenty of company.

Newcomer George Michael leaped onto the list this year at the number 13 spot in earnings. His wildly successful debut solo album, *Faith*, has sold over 15 million copies worldwide.



Vita brevis, pecunia longa

Entertainers die, but that won't stop them from making money. Here, a sample of ten dead artists who are still raking it in.

Rank	Celebrity	($mil)	Source of income
1	**Elvis Presley**	$15.0	Graceland, licensing, records
2	**Ian Fleming**	7.5*	movies, book publ
3	**John Lennon**	5.0	music publ, record royalties
4	**Jimi Hendrix**	4.0	music publ, record royalties
5	**T.S. Eliot**	2.5	theater royalties, book publ
6	**James Dean**	1.2	licensing
7	**Jim Morrison**	1.0	music publ, record royalties
8	**Marilyn Monroe**	1.0	licensing, movies
9	**John Wayne**	0.7	licensing, movies
10	**Abbott and Costello**	0.4	licensing, movies

*Figure based on 12-month period ending June 1988. All other numbers are 1988 calendar year projections.

After a long, strange trip, the psychedelic band the Grateful Dead (FORBES, *May 18, 1987*) makes the list this year. The Dead's bread and butter is live concerts. The band's rigorous touring schedule kept it truckin' across America to the tune of $23 million over the past two years.

If entertainment statistics were valid evidence of racial bias, one would have to conclude that blacks are privileged in our society; fully 25%—one in four—of the Forbes Top 40 are black. The list also knows no borders.

Hispanic? Madonna, Sting, Michael Jackson and Julio Iglesias all released records with lyrics sung in Spanish. "Right now you are looking at a Latin population in America that is proportionate to what the black population was when Motown took off," says musician and producer Jellybean Benitez. "You're looking at Latins who have already assimilated into the culture and have discretionary incomes. And they are purchasing records."

It's a new world out there. No longer are steel mills or auto factories or oil wells the principal sources of great wealth. In the postindustrial society, the once despised entertainment industry has usurped that role. ■

and everyone in the world knows it. When a piece gets burned, it's generally assumed that the hapless work of art has something wrong with it. Says Joan Washburn: "The more skillful the dealer is, the fewer people you need to show the artwork to."

The auction houses, of course, have their own advantages. The two giants, Sotheby's and Christie's, combine the most sophisticated marketing and expertise to be found. With worldwide exposure and experts in everything from doorknobs to diamonds, they provide the ease of one-stop selling.

Their contracts are similar, quoting a 10% commission on objects sold under the hammer for $5,000 or more and settlement within 35 days. And, as with so much in the art world, most items in the contract are negotiable. Chances of playing one house against the other for sweeter terms rise in direct proportion to the object's value. "It happens all the time," sighs Warren Weitman Jr., head of trusts and estates at Sotheby's.

Above all, start with a good appraisal from a disinterested third party. The Appraisers Association of America in New York can refer you to one. If you hire a dealer, make it clear he will not sell the work for you. Also consider lending the work to a museum exhibit. Contact curatorial departments for information. For a loan of two months you could add 15% to the value.—**Christie Brown**

Sotheby's Art Market Trends

Index sectors	Aug 1988	One month ago	One year ago	Two years ago	Five years ago	One month % change	One year % change	Two years % change	Five years % change	Five years average annual % change
Old Master paintings	403	403	349	303	217	nil	+15.5	+33.0	+85.7	+13.2
19th-century European paintings	361	361	303	250	197	nil	+19.1	+44.4	+83.2	+12.9
Impressionist & Post-impressionist art	1,091	1,091	661	432	298	nil	+65.1	+152.5	+266.1	+29.6
Modern paintings (1900-1950)	1,090	1,090	666	429	275	nil	+63.7	+154.1	+296.4	+31.7
Contemporary art (1945 onward)	728	728	597	524	366	nil	+21.9	+38.9	+98.9	+14.7
American paintings (1800–pre-WWII)	958	958	789	687	501	nil	+21.4	+39.4	+91.2	+13.8
Continental ceramics	407	407	320	290	272	nil	+27.2	+40.3	+49.6	+ 8.4
Chinese ceramics	684	684	550	486	445	nil	+24.4	+40.7	+53.7	+ 9.0
English silver	388	388	349	338	219	nil	+11.2	+14.8	+77.2	+12.1
Continental silver	260	260	201	192	156	nil	+29.4	+35.4	+66.7	+10.8
American furniture	469	469	452	380	239	nil	+ 3.8	+23.4	+96.2	+14.4
French & Continental furniture	355	355	319	285	249	nil	+11.3	+24.6	+39.8	+ 6.9
English furniture	784	784	594	447	309	nil	+32.0	+75.4	+153.7	+20.5
Aggregate index*	660	660	475	369	275	nil	+38.9	+78.9	+140.0	+19.1

Basis: 1975 = 100 ($).

©Sotheby's 1988

*Contemporary art was added to the Art Index in September 1987. The aggregate index excludes this category prior to that date.

Sotheby's Art Market Trends reflect subjective analyses and opinions of Sotheby's art experts, based on auction sales and other information deemed relevant. Nothing in Sotheby's Art Market Trends is intended as investment advice or as a prediction or guarantee of future performance or otherwise.

Coming attractions

A strong autumn season is in prospect at the major auction houses.

On Oct. 19 Christie's will offer a 407-carat diamond—second in size only to the Cullinan diamond. The stone was cut down from an 890-carat stone to make it flawless. With jewelry fetching record prices, the value of this stone is estimated at more than $20 million.

Christie's Nov. 9 sale will be a signal of price strength in the contemporary art market. The sale, expected to bring over $20 million, features "White Flag" by Jasper Johns and "Frieze" by Jackson Pollock. Less than a week later, on Nov. 14, Christie's will auction impressionist and modern works from the collection of William and Edith Goetz (her father was Louis B. Mayer) worth an estimated $50 million. Included is a bronze dancer by Degas (estimate, $8 million to $10 million) and paintings by Picasso, Monet, Cézanne and Modigliani.

Christie's

407-carat gem cut from 890-carat stone

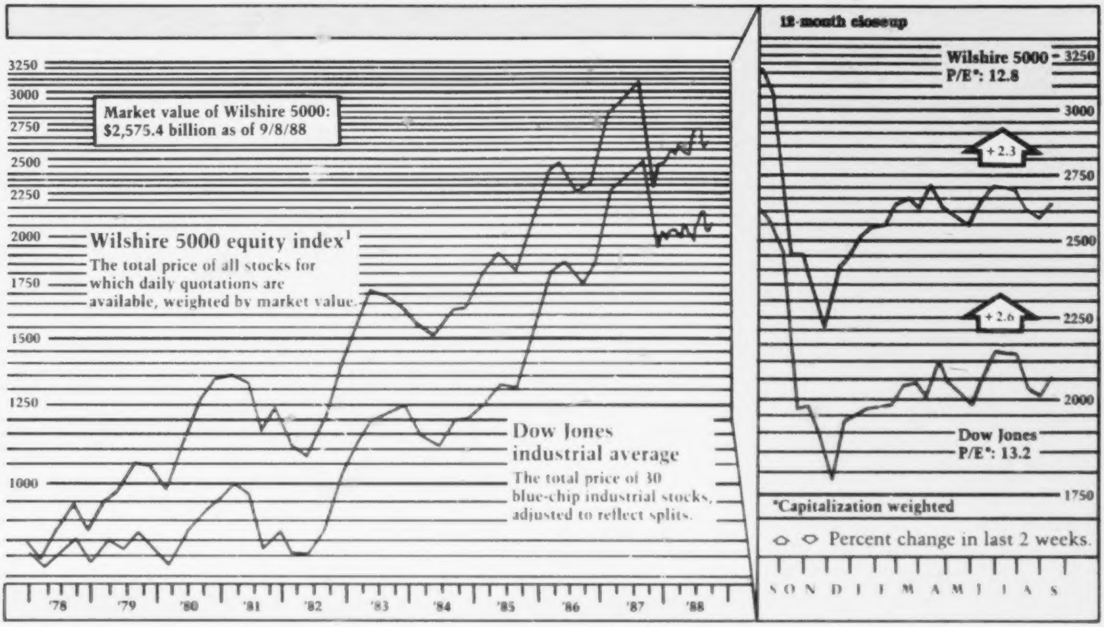
Sotheby's jewelry sale on Oct. 17 will star a 48-carat Burmese ruby (estimate, $15 million).

On Nov. 10 Sotheby's will auction paintings from the Victor Ganz collection. Included are six Picassos—among them, "Bird Cage" (estimate, $7 million to $10 million) and "Woman in a Red Hat" (estimate, $4 million to $5 million).

Sotheby's continues on Nov. 11 with the sale of important works by Renoir, Degas and Gauguin, among others. Degas' pastel "Lowering the Curtain" is estimated at $7 million to $9 million. Renoir's "Bather" is estimated at the same.

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



The bright side of dull news. The Dow posted a two-week gain of 2.6%, but it still closed 95 points below its July postcrash closing high. Wall Street isn't patently bearish, but the mood is more than a little sullen—lackluster trading volume and a new-issues market that looks all but dead. Presently, the number of IPOs has reached its lowest level in 12 months. There is, of course, a flip side to all this: A recent Salomon Brothers research report indicates that the decline in volume is not a cause for concern, what would be troublesome are declining prices on heavy volume. The fact that bearish investment advisers are sitting on loads of cash also has its cheery side—some of it could eventually enter the market. A hot market in new issues, in any case, is no guarantee of good times ahead. There was a 12-month high number of new offerings in September 1987, just before the October crash.

Closeup On the Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	1.1	1.4	1.2	1.3	0.1	0.2
in last 52 weeks	–15.3	–15.7	–19.9	–15.2	–15.5	–14.4

Stock performance based on six key investor yardsticks

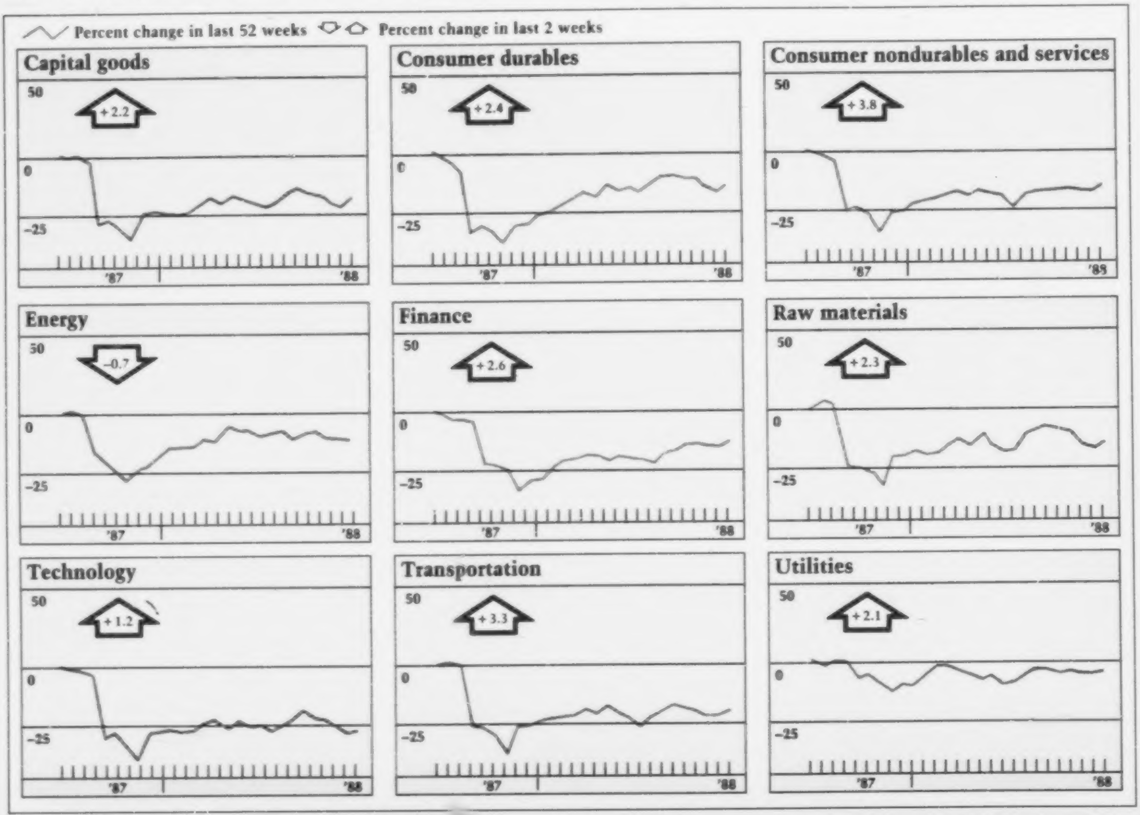
Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 23	under 9	over 4.7%	none	high	low	over $35	under $4
in last 4 weeks	1.5	2.1	1.6	1.9	0.6	1.3	1.5	1.2	1.6	0.7	1.1	0.5
in last 52 weeks	–10.8	15.5	15.7	5.6	–8.1	–1.3	2.4	17.8	13.8	1.5	–7.2	9.2

[1] Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2] Based on sales. [3] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 9/8/88. Prepared by Wilshire Associates, Santa Monica, Calif.

Where the Action Is

Oil on the floor. As oil prices dropped, so did the prices of energy stocks. During the past two weeks this was the only sector to show a loss. Hardest hit was Odeco, an oilfield service firm, which lost over 10% of its market value. This stock traded at 55 in 1980 when its sales were almost $700 million. Shares now change hands for 15, while its sales have been trimmed to less than $400 million. Analysts expect Odeco to lose 85 cents per share this year. Other big energy losers were Baker Hughes, Dresser and Transco, all of which dropped by more than 5%. Not surprisingly, airline stocks staged a strong performance, since fuel costs account for 10% to 20% of their revenues. The transportation sector, which includes the airlines, advanced by 3.3% over the last two weeks.



What the Analysts Think

Fear of the unknown. Security analysts tend to be overly optimistic in their long-range forecasts. Not now. With a presidential election just around the corner, analysts project only a 10% gain in earnings for the Forbes Sales 500 in 1989. That's only about a quarter of the gain that they expect this year.

Forecasting the Forbes Sales 500

Performance period	Average earnings per share	P/E
latest 12 months	$3.19	11.9
1988 estimates	3.59	10.5
1989 estimates	3.96	9.6

Rank based on change in estimate	Sector	Estimated 1988 EPS	Estimated 1988 P/E	% change in 1988 estimate in 2 weeks	% change in 1988 estimate in 4 weeks
1	Energy	$3.06	11.9	0.59%	1.31%
2	Raw materials	3.19	9.5	0.54	1.40
3	Consumer durables	4.64	11.3	0.16	1.24
4	Capital goods	2.64	14.0	0.14	0.15
5	Consumer nondurables	2.44	13.4	−0.13	−0.37
6	Utilities	2.40	10.0	−0.22	−0.30
7	Technology	2.96	11.1	−0.28	-0.33
8	Finance	3.43	8.6	−0.29	−1.28
9	Transportation	2.32	11.2	−1.03	−1.61

Earnings projections are capitalization-weighted consensus estimates from over 3,000 security analysts. Data are compiled and updated continually by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 9/8/88. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

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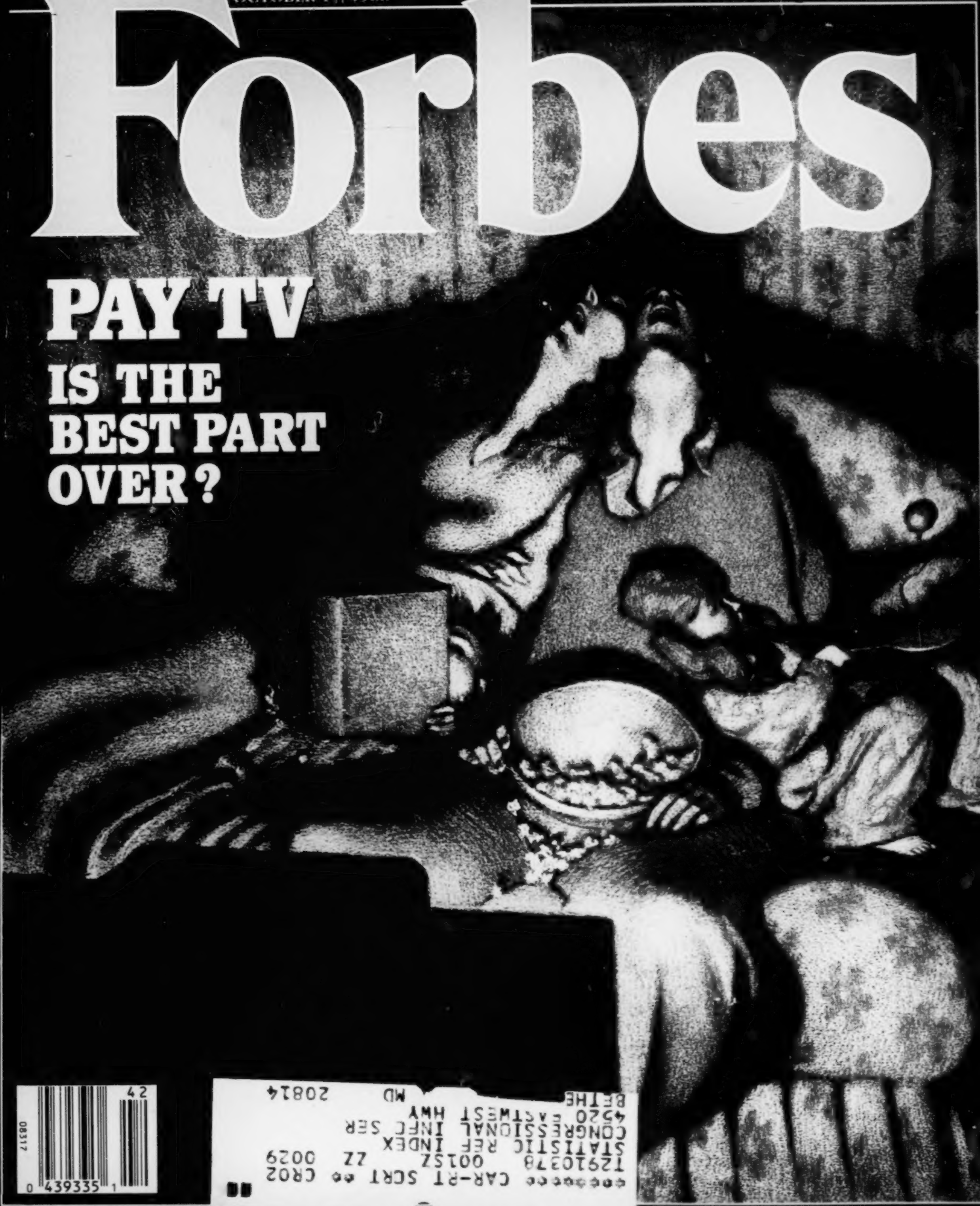
THE OUTLOOK ON GOLD PRICES—
MANY BEARS AND A LONELY BULL

WORLD WRESTLING FEDERATION'S
POWERFUL MARKETING MACHINE

OCTOBER 17, 1988

THREE DOLLARS SEVENTY-FIVE CENTS

Forbes



PAY TV IS THE BEST PART OVER?

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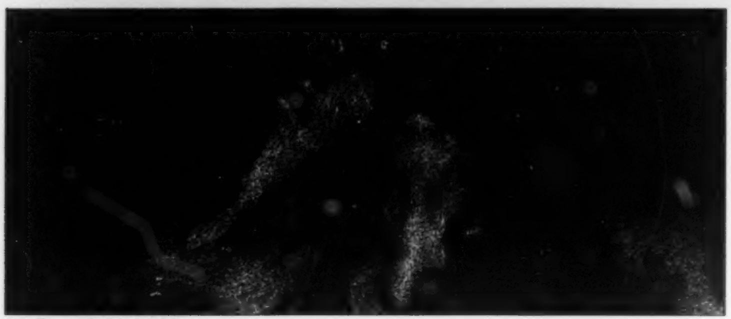

Cover illustration by Carter Goodrich

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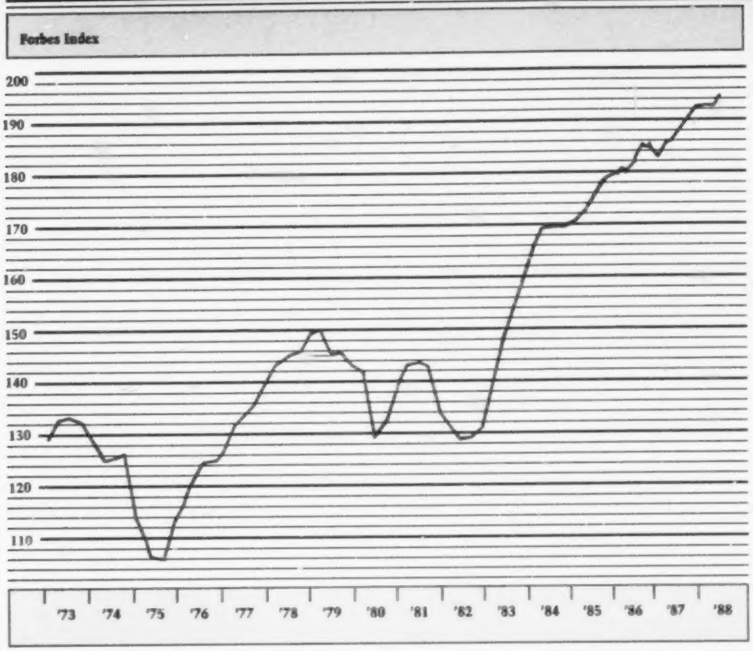
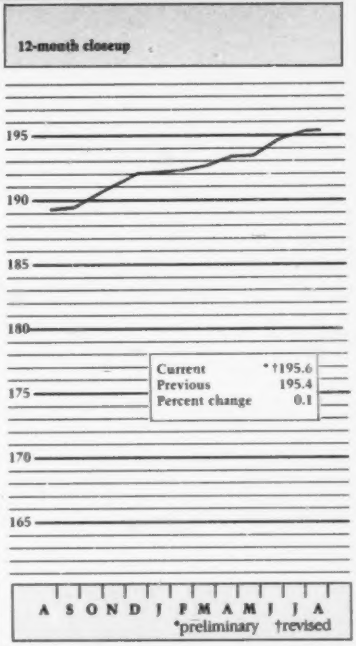
The Forbes Index





Current	*†195.6
Previous	195.4
Percent change	0.1

*preliminary †revised

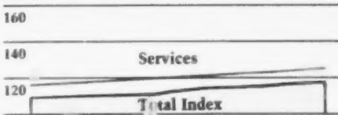
Slowing down. The economy seemed to be slowing down in August. Personal income moved up 0.3%, the smallest increase since June 1987. Consumers cut back on spending, as August retail sales dropped 0.3%, the first decrease in four months. Housing starts fell 1.9%, to 135,000 units. Through the first eight months of 1988 monthly home building figures have been consistently below year-earlier levels. Industrial production edged up 0.2%, versus a 1% gain the previous month.

The Consumer Price Index finished August with a 0.4% gain, mostly because of higher food, shelter and energy prices. The services component of the CPI rose 0.5%. The best bit of news came on the job front, where new unemployment claims for August fell 6.6%, to 305,900.

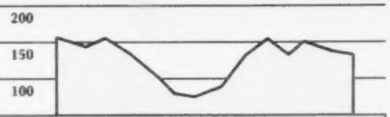
The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

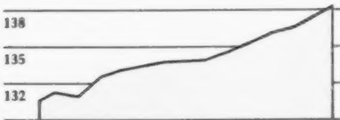
To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



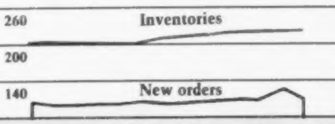
Consumer price indexes (1982-1984 average = 100) all urban consumers, unadjusted (Dept. of Labor)



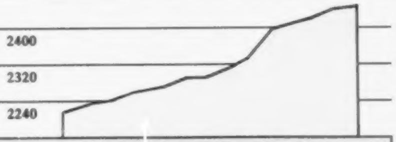
New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)



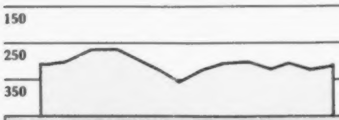
Industrial production index (1967 = 100) seasonally adjusted (Federal Reserve)



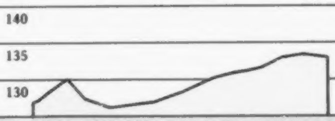
Manufacturers' new orders and inventories ($billions) seasonally adjusted (Dept. of Commerce)



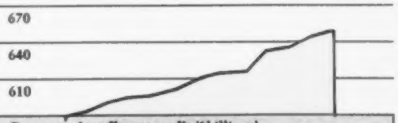
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)



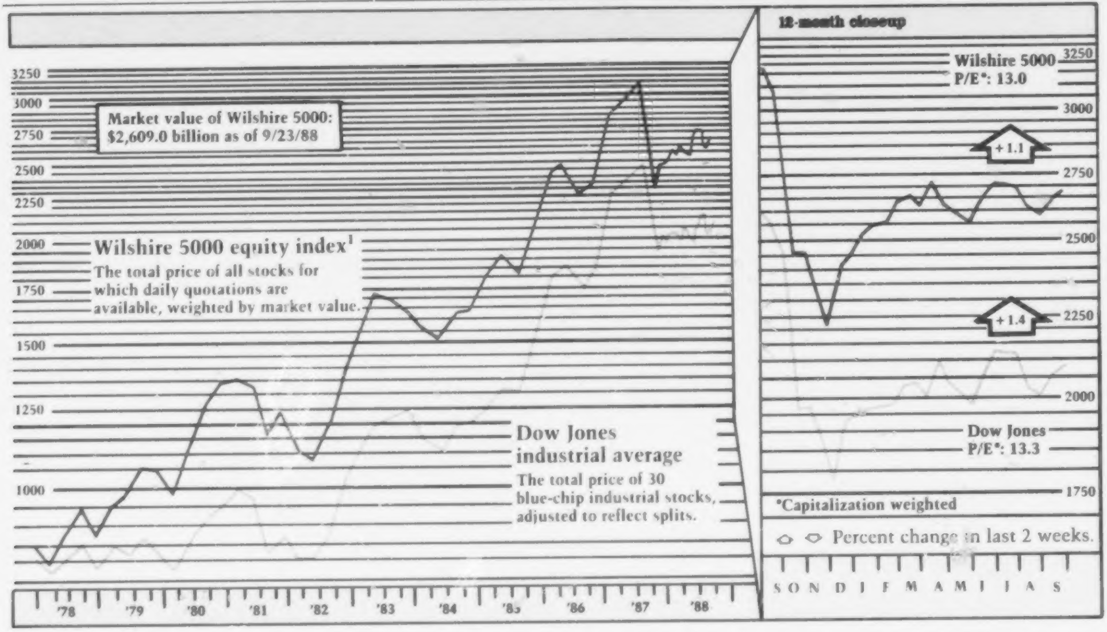
Retail store sales ($billions) seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Lagging the rest of the world. Markets in Japan and France have already recovered from the international debacle of last October. Meanwhile, the U.K. market is still down 25% for the past year, while the Dow is down 18.7%.

Why has the U.S. market stalled? Perhaps investors are staying on the sidelines until after the election. Edward Nicoski, a market strategist for Piper, Jaffrey & Hopwood in Minneapolis, has another viewpoint. "Last October's crash was like a death in the family, and investors are not comfortable with the market." Nicoski thinks that the Dow is presently at the upper end of its trading range.

The current P/E ratio for the Forbes 500 is 12, down from 20.8 twelve months ago and 13.8 three months ago. At 12 times earnings, the average stock has an earnings yield (earnings divided by price) of 8.3%. But you can do just as well with a CD.

Closeup [illegible] the Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	3.5	4.1	3.6	3.5	1.8	2.8
in last 52 weeks	–14.8	–16.4	–18.7	–14.9	–15.6	–12.9

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 23	under 9	over 4.7%	none	high	low	over $35	under $4
in last 4 weeks	3.6	3.1	3.3	1.7	2.8	3.5	1.7	4.8	3.6	2.1	3.6	1.9
in last 52 weeks	–10.2	16.4	15.2	6.0	–7.3	0.2	2.6	20.4	15.5	1.8	–6.6	10.8

[1] Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2] Based on sales. [3] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

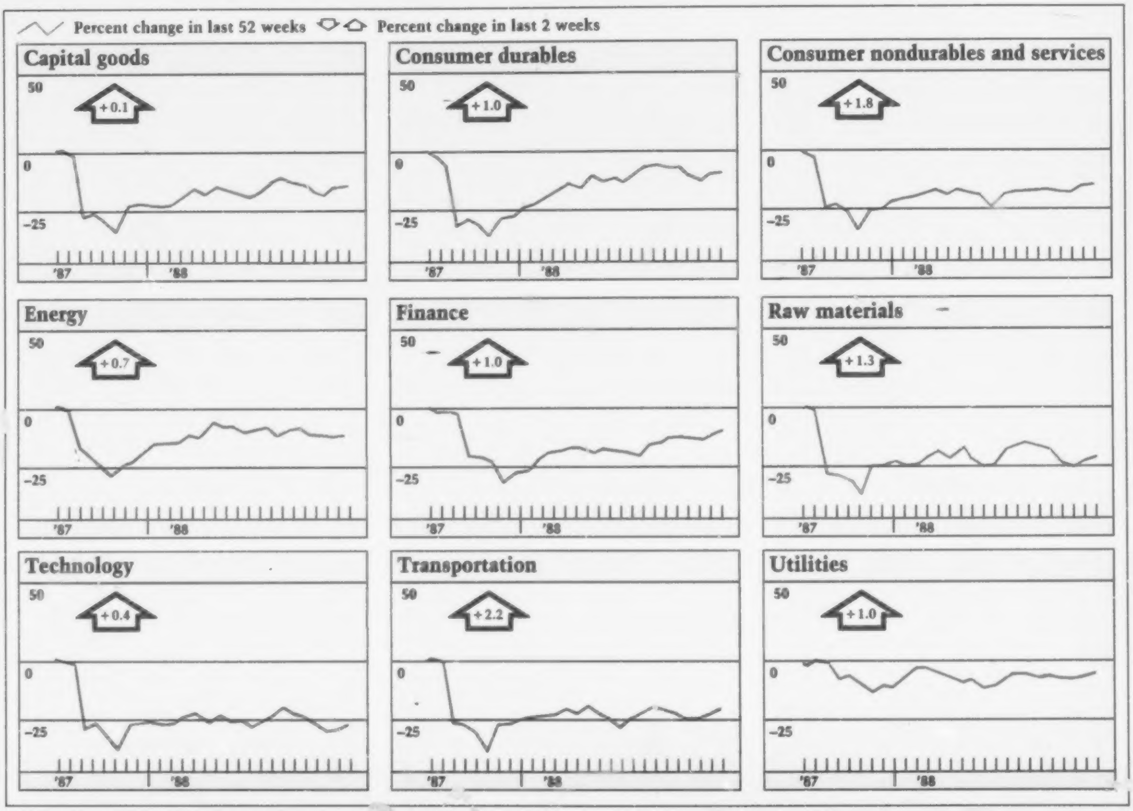
Note: All data for periods ending 9/23/88. Prepared by Wilshire Associates, Santa Monica, Calif.

Steven Ramos

Where the Action Is

Surprises good and bad. The hottest Wilshire sector over the last two weeks was transportation, up 2.2%. Leading the group was CSX, which announced its intent to buy 38% of its stock in a restructuring that would also include asset sales. The market responded favorably and moved CSX up 14.8% for the recent two-week period.

Bad news knocked down Regina, a 96-year-old vacuum maker. On Sept. 21 Regina announced that it would report a loss for the September quarter. At the time it had the highest "timeliness" rating from *The Value Line Investment Survey*. Regina had been claiming earnings and sales growth in excess of 40% for the past two years. On Sept. 27 Peat Marwick disclosed that Regina's financial statements for the past year appear to be inaccurate.



What the Analysts Think

Relativity. The Forbes Sales 500 is priced at 12 times latest 12-month earnings and 9.7 times estimated 1989 earnings. But back in August 1984 the Forbes Sales 500 had an expected 1985 earnings multiple of 6.5. Either the 1989 estimates are too conservative or stocks are not as cheap as one might think.

Forecasting the Forbes Sales 500

Performance period	Average earnings per share	P/E
latest 12 months	$3.19	12.0
1988 estimates	3.59	10.7
1989 estimates	3.96	9.7

Rank based on change in estimate	Sector	Estimated 1988 EPS	Estimated 1988 P/E	% change in 1988 estimate in 2 weeks	% change in 1988 estimate in 4 weeks
1	Raw materials	$3.21	9.5	0.52%	1.06%
2	Consumer durables	4.66	11.2	0.17	0.33
3	Capital goods	2.63	14.1	0.09	0.23
4	Consumer nondurables	2.45	13.6	–0.06	–0.20
5	Utilities	2.39	10.1	–0.15	–0.37
6	Technology	2.93	11.4	–0.28	–0.56
7	Finance	3.42	8.8	–0.57	–0.86
8	Energy	3.20	11.9	–0.84	–0.26
9	Transportation	2.30	11.7	–0.93	–1.95

Earnings projections are capitalization-weighted consensus estimates from over 3,000 security analysts. Data are compiled and updated continually by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 9/23/88. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

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The 1988 Forbes Four Hundred

SPECIAL ISSUE

FOUR DOLLARS SEVENTY-FIVE CENTS

Forbes

W Dressman Alexis Felix du Pont Jr Helena Allaire Crozer du Pont Richard Louis Duchossois Doris Duke David M Durst Royal H Durst Seymour
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Charles F Feeney William Arthur Fickling Jr Frederick Woodruff Field Marshall Field V Paul Foreman Donald George Fisher Lawrence Fisher Max
Martin Fisher Zachary Fisher Thomas John Flatley Malcolm Stevenson Forbes Josephine Clay Ford Kenneth William Ford William Clay Ford Samuel
Joseph Frankino Mansfield Freeman Michel Fribourg John Brooks Fuqua Daniel Mauck Galbreath Francesco Galesi Ernest Gallo Julio R Gallo Robert
William Galvin Charles Cassius Gates William Henry Gates III Edward Lewis Gaylord David Geffen Gordon Peter Getty Guilford Glazer Lillian Goldman
Murray Henry Goodman Mark Lee Goodson Bruce Cobb Gottwald Floyd Dewey Gottwald Jr Katharine Graham Dorothy Green Pincus Green Maurice

THE RICHEST PEOPLE IN AMERICA

Paley Robert Bosseau Pamplin Roy Hampton Park Jack Parker Frank James Pasquerilla Allen Eugene Paulson Luigino Francesco Paulucci Richard
Taylor Perry Claude B Pennington William Norman Pennington Franklin Parsons Perdue Ronald Owen Perelman Andrew Jerrold Perenchio Henry
Ross Perot Robert Einar Petersen Milton Jack Petrie Marion MacMillan Pictet Anthony Martin Pilaro Alfred Mack Pogue Carl Ray Pohlad Jay
Arthur Pritzker Robert Alan Pritzker Eugene Smith Pulliam Richard Edward Rainwater Sumner Murray Redstone Elizabeth Ann Hall Reed Burton
Paul Resnick Donald Worthington Reynolds Marc Rich Robert Edward Rich Sr Meshulam Riklis Marshall Edison Rinker George R Roberts Jesse
Mack Robinson David Rockefeller Laurance Spelman Rockefeller Winthrop Paul Rockefeller Orville Wayne Rollins Chapman Shaw Root Ruth Blaustein
Rosenberg Jack Rudin Lewis Rudin Patrick George Ryan Charles A Sammons Fayez Shalaby Sarofim Richard Mellon Scaife Clarence Scharbauer Jr
Marvin Maynard Schwan Daniel Crow Searle William Louis Searle Martin Selig Peter Jay Sharp Walter Herbert Shorenstein Larry Abraham Silverstein
Harold Clark Simmons Herbert Simon Melvin Simon Norton Winfred Simon William Edward Simon John Richard Simplot Henry Earl Singleton Leonard
Samuel Skaggs Jr Richard Palmer Kaleoku Smart Charles E Smith Richard Alan Smith Robert Smith Vivian Leatherberry Smith Richard Wesley
Snyder Sheldon Henry Solow James LeVoy Sorenson George Soros Alexander Gus Spanos Stanley Truong Stahl Saul Phillip Steinberg Jackson Thomas
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Donald John Trump Robert Edward Turner III Barbara Tyson Donald John Tyson Albert Lee Ueltschi Hope Hill van Beuren Robert Donald Van
Kampen Jacqueline Mars Vogel Cyril Anthony Wagner Jr James Lawrence Walton Sam Moore Walton An Wang Louis Larrick Ward Lewis Robert
Wasserman Harry Weinberg Siegfried Weis Leslie Herbert Wexner Betsey Cushing Roosevelt Whitney Lawrence Arthur Wien Ian Woodner William
Wrigley Samuel Zell William Bernard Ziff Jr Mortimer Benjamin Zuckerman Joseph Albert Albertson Norman E Alexander Joe Lewis Allbritton
Charles Allen Jr Herbert Allen Herbert Anthony Allen Paul Gardner Allen John Edward Anderson Robert Orville Anderson Walter Hubert Annenberg

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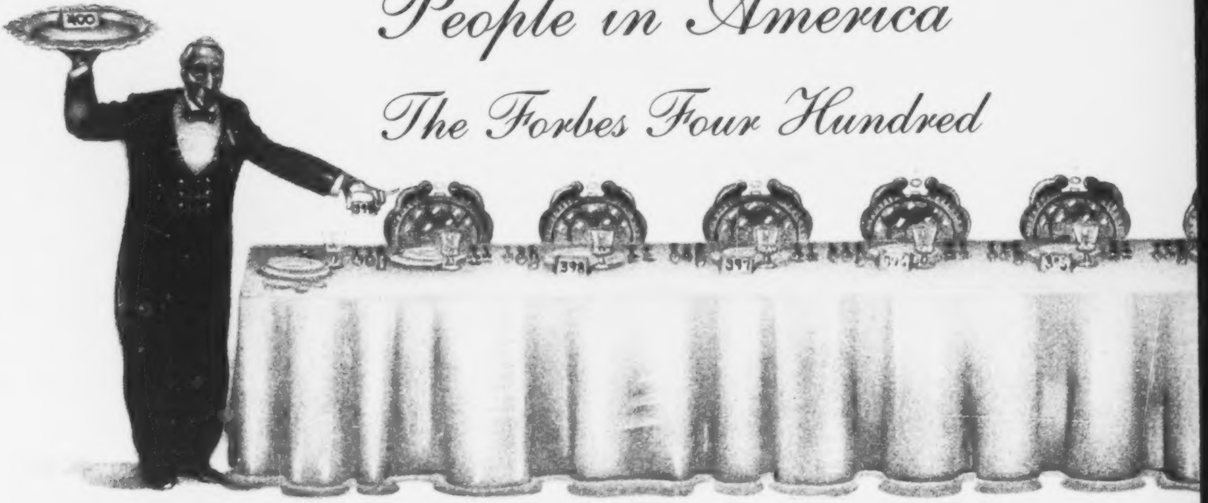
Forbes

The Richest People in America

The Forbes Four Hundred



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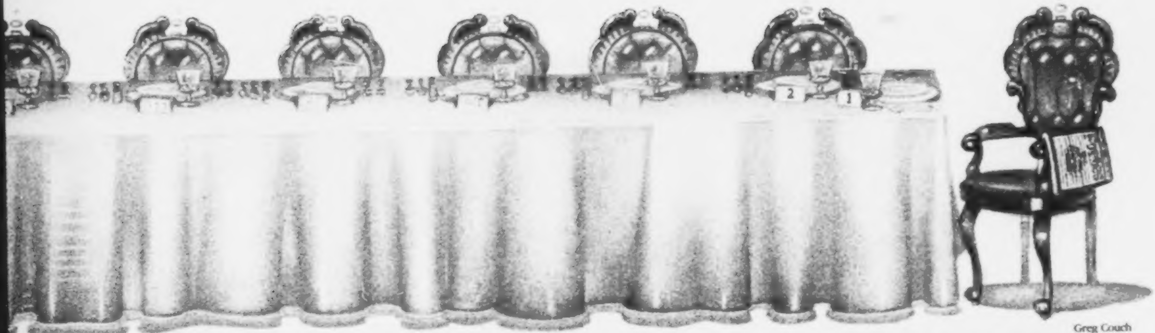

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A sampling of media reaction to 1987's Forbes Four Hundred.

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Professional sports teams, many owned by members of The Forbes Four Hundred, don't always make money, yet the franchises appreciate. A background in television or tax shelters will help you see why.

Dumb like foxes

By John Merwin

IN HIS LUXURY BOX perched high above the Giants' Stadium playing field, media and real estate near-billionaire Jack Kent Cooke sips white wine and cheers on the team he owns, the Washington Redskins. His visiting Redskins—reigning National Football League champions—are shutting out the hometown New York Giants before a Labor Day national television audience.

Cooke, 75 *(see listing)*, is in his element. His guests are attentive as the Redskins roll up a 13-0 lead. But then the Giants storm back and score 27 straight points. Now Cooke sits silently, chin stoically in hand. The Giants win, 27-20. On the way out of the stadium, Cooke growls, "We'll beat the hell out of them down in Washington."

We chose this moment to ask Cooke: If you could keep only one of your businesses, which would it be? Cable TV, worth at least $1 billion (including debt)? The $500 million in real estate holdings? Or the Washington Redskins, a moneylosing team worth maybe $90 million that just got whipped?

"The Redskins," Cooke snapped. "Sports introduced me to a world that was 100% fun."

If "fun" is the only incentive to owning a sports franchise, it must be a powerfully concentrated form of fun. In this age of million-dollar-a-year ballplayers and rocketing franchise prices, even the top-ranked teams can lose money. Yet when one comes up for sale, the bidding resembles a feeding frenzy in the shark tank. Much of the bidding is accounted for by members of The Forbes Four Hundred, 24 of whom own a team, or a significant hunk of one or more teams *(see table, on following page)*.

In 37 years Jack Cooke has invested in pro baseball, basketball, football, hockey and soccer franchises. But like many owners, Cooke feels the less said about the monetary aspects of team ownership, the better. About the only thing he will say about sports economics is this: "If you're interested in making big operating profits in professional sports, you've got to be in New York, Los Angeles or Chicago. In that kind of market, you'd have to be a cipher not to make money."

AP/Wide World

Redskins coach Joe Gibbs (left) *with owner Cooke*
Super Bowl or cellar, they're worth money.

Do rational businessmen really risk $50 million to $80 million and more just to have fun? Or is there something more to it?

For some answers, FORBES did a little analysis of its own, and came up with this picture of the Redskins' financial performance. This year, the Redskins' operating revenues, flowing mainly from an estimated $11 million of net ticket income and $17 million of network television payments, will run about $30 million. The team's estimated operating expenses, led by $20 million in player costs, should total roughly $32 million.

How can a team losing some $2 million in a good year be worth $90 million? Here's how:

At the moment, the Redskins are playing in a small, 55,750-seat stadium in Washington, D.C. owned by the federal government. The team gets no cut of concessions and has no luxury boxes. This is the result of an archaic contract signed 28 years ago, before pro sports was big business and before owners discovered they could get nearly anything by threatening to move their teams elsewhere.

In two years, however, the Redskins' contract will be up, and the team will move into a new Washington-area stadium, which Cooke may build himself. The new stadium will probably have at least 200 luxury boxes, conservatively worth an additional $8 million per year in revenue. It will also have maybe 20,000 additional stadium seats, worth $2 million, and a concessions contract worth about $1 million. Using these conservative estimates, that's $11 million in new revenues. So if expenses are held in line (with any increased stadium expenses offset by ticket price increases), the Redskins should swing overnight from a $2 million operating loss to a $9 million operating profit. Now let's imagine Cooke puts the Redskins on the market for $90 million. Can a deal like this carry itself? It can, but it helps to have a cable or real estate background (like Cooke's) to see how.

The key is depreciation. Let's assume Cooke sells the Redskins for $90 million. About two-thirds of a franchise purchase price—mainly player contracts—can be written off, generally over five years. For the Redskins at $90 million, that's $12 million a year in depreciation. At a 34% corporate tax rate, the new owner can save more than $20 million in taxes over the five years, cutting the aftertax purchase price to around $70 million. That amount could be financed by the projected $9 million operating profit, as long as the interest rate is below 12.8%. The deal could be sweeter for the buyer if broadcast revenues spiked up again. The rich man's toy turns out to be a viable business after all.

If, as Cooke says, big market teams are gold mines, which sport mines the most gold? We put the question to Steven Matt, an Arthur Andersen & Co. manager who appraises sports franchises. Matt replied:

"In terms of taking advantage of a major market, baseball is the best, though riskiest, bet. The home team keeps the vast majority of ticket income. Plus all local broadcast dollars. In major TV markets, that can mean upwards of $5 million per year, and in a place like New York, much more. Couple those broadcast dollars with 78 or 79 home gates a year, and a team can generate excellent cash flow."

What about football and basketball? "Football is the safest bet because the NFL relies heavily on revenue sharing," says Matt. "Nearly all of the league's broadcast dollars—its largest revenue source—are shared, plus 40% of ticket income goes to the visiting team. Thus, a team like Green Bay, with a small stadium and little local broadcast potential, can make money. But it does so at the expense of big market franchises.

"The risk of basketball," Matt continues, "falls between baseball and football. Team expenses are kept fairly uniform by a league cap on player payrolls. But on the revenue side, home ticket and local broadcast revenues aren't shared."

For a real winner, consider the New York Mets. In 1980 snickers were heard across the country when Doubleday Broadcasting paid just over $21 million for the Mets. In 1982, Doubleday's first full season after the 1981 player strike, the mediocre Mets took in an estimated $5 million broadcast and $7 million live gate income.

But this year the team should take in about $22 million from broadcasts and $28 million at the gate. Throw in roughly $8 million from concessions, plus a few miscellaneous items, and the Mets ought to take in about $60 million this year.

Team angels

Members of The Forbes Four Hundred who own 30% or more of a major sports team.

Name	Team/sport	Est worth ($mil)
Harvey "Bum" Bright	Dallas Cowboys (football)	$100
Ed DeBartolo	San Francisco 49ers (football)	100
Leon Hess	New York Jets (football)	100
Jack Kent Cooke	Washington Redskins (football)	90
William Clay Ford	Detroit Lions (football)	90
August Busch	St. Louis Cardinals (baseball)	85
Alex Spanos	San Diego Chargers (football)	85
Gene Autry	California Angels (baseball)	80
Eddie Gaylord	Texas Rangers (baseball)	80
Paul Allen	Portland Trail Blazers (basketball)	70
Edgar Bronfman	Montreal Expos (baseball)	70
Thomas Monaghan	Detroit Tigers (baseball)	70
Hugh Culverhouse	Tampa Bay Buccaneers (football)	65
William Davidson	Detroit Pistons (basketball)	65
Irwin Jacobs	Minnesota Vikings (football)	65
Joan Kroc	San Diego Padres (baseball)	65
Carl Pohlad	Minnesota Twins (baseball) Minnesota Vikings (football)	65 65
Ewing Kauffman	Kansas City Royals (baseball)	60
Robert Lurie	San Francisco Giants (baseball)	60
Ted Turner	Atlanta Braves (baseball) Atlanta Hawks (basketball)	60 60
George Argyros	Seattle Mariners (baseball)	57
David & Richard Jacobs	Cleveland Indians (baseball)	55
Herb & Mel Simon	Indiana Pacers (basketball)	55
Ted Arison	Miami Heat (basketball)	35

Expenses? An estimated $22 million for the Mets' major league operations, $5 million for minor league operations, and $15 million for general and administrative, stadium upkeep and other expenses. That leaves operating income of $18 million. Numbers like these make the Mets franchise worth at least $100 million. That's a 376% capital gain in eight years, more than twice what Nelson Doubleday would have made by investing in the Dow Jones industrials. And no owner's box or white wine comes with the Dow industrials.

What about poorly performing teams in smaller media markets? Wealthy San Antonio car dealer Red McCombs just paid $47 million for the National Basketball Association's Spurs—a franchise that McCombs figures was worth $15 million five years ago. McCombs bought a team that has no immediate prospect of big dollars from luxury boxes or local media contracts. What's more, the Spurs' gate receipts, averaging $78,000 a night last season, trailed well below the league average of $170,000. "We need $150,000 a night to make the deal work," says McCombs.

The minute he bought the team, McCombs was able to use the Spurs' operating losses to offset other income. But longer term, he is betting on the NBA's recently imposed cap on team payrolls. It drove franchise prices up sharply, because players' salaries represent about half of an NBA team's expenses. And Red McCombs figures the cap is already starting to even out the league's talent. Winning the league title might be worth $2 million of operating profits. But McCombs also figures the Greater Fool Theory may bail him out. "The big play in this business," says he, "remains franchise appreciation."

Who's going to be the last guy to buy in? Perhaps the fans. Two years ago the Boston Celtics' owners sold 41% of their profitable team to the public at $18.50 per share. That price valued the Celtics at a high $119 million. Last year the team generated $9.5 million cash flow on revenues of $26.7 million. But today those limited partnership shares, supported by a generous $1.60 dividend, trade on the NYSE at 15⅛. The Celtics' owners took out $48 million and still control the team. The public shareholders are currently $8.8 million in the hole—although some value must surely be given to the right to remark loudly in any Boston bar, "Some of the other Celtics owners and I were talking and. . . ." ■

Ah, to be young, connected to Mike Milken and converting what once was a luxury good into a commodity for the masses.

How the nouveaux riches got that way

By Edward F. Cone

WHO IS NOT constantly amazed at the fortunes that arise seemingly from nowhere? A decade ago Paul Fireman was running his family's wholesale sporting goods business. Today Fireman, 44, runs Reebok International and owns Reebok stock worth over $320 million. In 1975 Saul Steinberg was a chubby overachiever licking his wounds from a failed attempt to take over Chemical Bank. Now Steinberg is 49, is worth over $400 million and has an energetic third wife who has turned the once-obscure computer lessor into a minor celebrity.

Who are America's young nouveaux riches and how did they get that way? And what, if anything, do their new fortunes say about the economy that spawned them?

The table on page 108 identifies 33 men—no women have come this far, yet. None is over 50, and all save Steve Jobs, Austin Furst and Steven Spielberg are members of The Forbes Four Hundred. (Jobs, Furst and Spielberg are past members and are still plenty wealthy.) All made their fortunes mostly in the last dozen years, meaning inheritance played a minor role at most. Thus Donald Trump, who turned his father's prosperous real estate business into a fortune in about a decade, is on the list, while the Bass brothers (Sid, Robert, Lee and Edward), who invested their father's fortune wisely, aren't. The Basses' adviser, Richard Rainwater, whose own father was a part-Lebanese, part-Cherokee wholesaler, is on the list.

Following postwar society at large, most of the new rich stem from middle-class backgrounds and a surprising number never graduated from college, although 14 have advanced degrees. Note the regular appearance of Wharton. Of the 33, 4 are on their second marriages, 1 is on his third, and 4 (David Geffen, Bruce McCaw, Paul Allen and Bill Gates) are single.

Many of these new fortunes are the result of inflation and of heavy borrowing. More precisely, they have resulted from successfully playing the spread between the rate of asset price inflation and the aftertax costs of borrowing money to buy those assets.

The obvious example is real estate, traditionally a highly leveraged business and the source of eight of the new fortunes on our list. But the favorite tool of the new rich is highly leveraged financial restructurings—

Robert Grossman

Fast money

The men listed below have created fortunes large enough to join The Four Hundred in less time than it takes to age good Scotch. They are grouped by the industries in which they struck gold and listed with the companies they took to success.

Name/company/residence	Age	Degree	Estimated net worth ($mil)
Finance			
Irwin Jacobs/Minstar/Minneapolis	47	none	$240
Henry Kravis/Kohlberg Kravis Roberts/NYC	44	MBA/Columbia	330
Michael Milken/Drexel Burnham/Encino, CA	42	MBA/Wharton	800
Ronald Perelman/MacAndrews & Forbes/NYC	45	MBA/Wharton	1,000
Richard Rainwater/Rainwater Inc/Fort Worth	44	MBA/Stanford	225
George Roberts/KKR/San Francisco	45	JD/Hastings	330
Saul Steinberg/Reliance Group/NYC	49	MBA/Wharton	400
Robert Van Kampen/Van Kampen Ent/Chicago	49	BA/Wheaton	240
Real estate			
John Arrillaga/Peery Arrillaga/Palo Alto, CA	50	BA/Stanford	250
Neil Bluhm/JMB Realty/Winnetka, IL	50	JD/Northwestern	400
Christopher Hemmeter/Hemmeter Corp/ Kahala Beach, HI	49	BS/Cornell	225
Robert H. Lurie/Equity Group/Chicago	46	MS/Michigan	390
Judd Malkin/JMB Realty/Winnetka, IL	50	BA/Illinois	400
Richard Peery/Peery Arrillaga/Palo Alto, CA	49	MBA/Stanford	250
Donald Trump/Trump Organization/NYC	42	MBA/Wharton	1,000
Sam Zell/Equity Group/Chicago	46	JD/Michigan	390
Entertainment/communications			
Austin Furst/Vestron/New Canaan, CT	45	BS/Lehigh	200
David Geffen/Geffen Co/Malibu, CA	45	none	240
Steven Spielberg/Amblin Entertainment/LA	40	BA/Calif State	225
Ted Turner/Turner Broadcasting/Roswell, GA	49	none	535
Bruce McCaw/McCaw Cellular Comm/Seattle	42	not available	260
Craig McCaw/McCaw Cellular Comm/Seattle	39	BA/Stanford	260
John E McCaw/McCaw Cellular Comm/Seattle	37	not available	260
Keith McCaw/McCaw Cellular Comm/Seattle	35	not available	260
Technology			
Paul Allen/Microsoft/Bellevue, WA	35	none	540
Lawrence Ellison/Oracle/Atherton, CA	44	MBA/Chicago	330
William Gates/Microsoft/Seattle	32	none	1,100
Steven Jobs/Apple Computer/Woodside, CA	33	none	185
Armas Markkula/Apple Computer/Woodside, CA	46	BS/USC	300
Manufacturing			
Paul Fireman/Reebok/Newton, MA	44	none	320
Philip Knight/Nike/Beaverton, OR	50	MBA/Stanford	400
Ralph Lauren/Polo Ralph Lauren/NYC	49	none	450
Richard Snyder/SnyderGeneral/Dallas	50	MBA/Detroit	230

the reorganization of assets and their ownership as the U.S. economy has replaced heavy manufacturing jobs with high-tech and service jobs.

Confirming the key role of leverage, Drexel Burnham's Michael Milken, now fighting a long list of alleged securities law violations, is at the center of many of the new fortunes. Milken's financial innovations have made it possible for undercapitalized but quick-witted entrepreneurs to take over poorly managed assets, and for the real economic value of those assets to be realized. It is safe to say that Irwin Jacobs, Henry Kravis, Richard Rainwater, George Roberts and Saul Steinberg owe much if not all the money they have mined on Wall Street directly or indirectly to Milken. New York's Ronald Perelman and Seattle's Craig McCaw have also borrowed heavily and productively through Milken.

Nobel laureate economist Milton Friedman provides an interesting overview on the creation of significant private wealth when he says: "Historically, rising income has transformed what one generation thought of as luxury into what the next sees as necessity." Technological innovations have helped. A generation ago, only a large corporation could afford any meaningful amount of computing power. But personal computer and software companies like Apple Computer (Steve Jobs and A.C. Markkula), Microsoft (Bill Gates and Paul Allen) and Oracle (Lawrence Ellison) have turned this former luxury good into a commodity for the masses—and made their founders rich. Likewise Craig McCaw is using cellular telephone technology to make it possible for people of average means to enjoy the kind of mobile communications that only the very rich have hitherto enjoyed.

And what luxury good has trickled down to the masses in greater quantity than leisure time? This has created enormous opportunities for, among others, athletic shoe makers Nike and Reebok and their respective owners, Philip Knight and Paul Fireman.

The ability of the middle class to buy commodities once available only to the aristocracy has helped no one more than Ralph Lauren, whose clothing consciously evokes the lifestyles of an elite aristocracy that has disappeared. Who else but the nouveaux riches themselves would have understood the deep nostalgia for the old money styles that the new money prosperity has created. In that lies a lesson for future entrepreneurs hoping to be new rich someday. ■

The 400 Richest People in America

Edited by Harold Seneker
Prepared by John Anderson,
Dolores A. Lataniotis and Christopher Palmeri
Illustrated by Greg Couch

YES, YOU CAN still make a buck—you can make nearly a billion bucks, for that matter—in the teeth of the October crash. You can even make it in the stock market.

Casualties there were. A total of 22 individuals fell off The Forbes Four Hundred *(see "Dropouts," p. 322)* because the value of their stock went down. Many others slipped further down the list, but not below our $225 million minimum.

At the top of the list, Sam Walton and his family saw their Wal-Mart stock drop by $1.8 billion. The lost value, if it had gone into one person's pocket, would have made him or her the 16th-richest person on our list. Carl Lindner lost his place among our billionaires when his American Financial Corp.'s portfolio slipped postcrash—taciturn Lindner may still be a billionaire, but what's visible of his fortune makes us less certain this year than last that he qualifies for ten digits. At the other end of the list, John Weinberg, a Goldman, Sachs partner, lost his place among The Four Hundred altogether—even an interest in a top-flight Wall Street investment firm isn't worth as much as it used to be.

While some fell, others rose, and still others were discovered. Of the 52 newcomers on the 1988 roster, about a third had dropped off the list in prior years and have resurfaced because their fortunes have grown. At the billionaire level, we've got 7 new names, more than offsetting the 4 who slipped below the billion mark (the Tisch brothers, Milton Petrie and Lindner) as well as the late Sol Goldman.

And for some it was a personal boom year. How could one make it to $1 billion in 1988? Try being a dealmaker. Ronald Perelman simply sold Technicolor for $780 million, clearing over $600 million in profits. Earlier, he took National Health Laboratories public with a market cap of $1 billion. In all, that's a gain for Perelman of $700 million in net worth.

Sumner Redstone did him one better. Redstone all but tripled his fortune, adding nearly $1 billion to his net worth in the takeover of publicly held Viacom. Viacom, of course, is now carrying his acquisition debt, but the stock market doesn't mind.

It would have been hard not to make money in certain kinds of media companies. No price, it seems, is too high to pay for newspapers or cable TV. Cable TV prices have escalated into the heady realm of $2,700 per subscription in some cases, adding two more billionaires to our list. Cable mogul Charles Sammons *(see box, p. 144)* has cable properties that turn out to be worth some $900 million, as well as insurance interests worth a healthy chunk. And Donald Reynolds' cable business has ensured his place in the top rank this year. On the other hand, quite a few TV stations have lost value as cable and independent stations eat into the ratings of the three big networks (and occasionally into one another's). Oveta Culp Hobby's stations (H & C Communications) are a case in point.

There are lower-profile ways to do well, most of which involve staying away from the stock market. Over a fifth of The Four Hundred arrived through real estate ventures. This year we have 87 property fortunes, 14 more than were on the list in 1987. Shopping malls alone account for 11 of the 87. Malls might seem mundane, but there's nothing dull about the wealth they create. Billionaires Edward DeBartolo and Alfred Taubman are obviously not the only ones who recognized the potential: Meet Murray Goodman and Frank Pasquerilla in our pages.

Donald Trump hasn't done too badly, either. He modestly toted up assets for us that amount to $3.74 billion, net of all debt. "And that's conservative," he declared. After applying the appropriate discount to a Trump estimate—we threw out Trump's number and started from scratch—we found that while he isn't worth what he says he's worth, he is worth plenty, especially in Atlantic City. Welcome to the billionaire's club, Donald.

A number of ingenious entrepreneurs found unique routes to riches. For instance, are those duty-free shops at airports as profitable as one guesses? No, they are far more profitable than that. Charles Feeney and partner Robert Miller (who gave up his U.S. citizenship, and is not, therefore, included in The Four Hundred) have made themselves billionaires from their stakes in Duty Free Shoppers *(see story, p. 36)*. And their associate, Anthony Pilaro, an early investor in DFS, hasn't done badly, either *(see listings)*.

Meanwhile, Michigan's Fred Meijer has built up a $350 million fortune by adding another dimension to the supermarket: the European-style hypermarket, or huge shopping mecca. One-fifth of the space in his stores is still reserved for grocery goods. But at a Meijer store you can pick up the material to remodel your home, buy a boat, choose your fall wardrobe—as well as do your weekly food shopping.

Then there's a whole other source of wealth boiling up. Feverish buying in the art markets has added instant millions—in some cases, tens of millions—to any number

New to The Forbes Four Hundred

IF YOU WANTED AN INVITATION to join The Forbes Four Hundred this year, you did best not to rely on public stock or a Wall Street career. With certain exceptions, high-flying financiers and buyout artists were a conspicuously humbler lot postcrash. Only one of the 36 people who appear on this year's Forbes Four Hundred for the first time created his fortune in a publicly traded company, even if some who were already on the list did pretty well in stocks. In this postcrash world, your best bet was a private company, preferably in real estate development.

Fourteen people, nearly 40% of all the new entries, owe their fortunes to real estate. The time-honored inflation hedge has been the single most dependable wealth builder.

The new property barons are a diverse lot. Tom Flatley, an Irish immigrant, lives quietly in a middle-class Boston suburb, taking $100,000 a year in salary while he builds a diversified real estate empire. Other developers are specialized. Christopher Hemmeter builds superluxury Hawaiian resorts that would impress *Lifestyles of the Rich and Famous'* most jaded cameraman. Seattle tycoon Martin Selig builds nothing but mid- to high-rise office buildings nowadays. While retooling the Seattle skyline, Selig has amassed one-third of all office space in the city's downtown (though slower developers building in his wake will soften Selig's grip a bit when they finish their projects).

The two wealthiest additions to The Forbes Four Hundred are, as noted, billionaires Charles Sammons and Charles Feeney. Sammons, a 90-year-old press-shy Texan who does one newspaper interview every 15 years "for the good of the business," built an insurance, banking and cable TV conglomerate.

Ten new members got their fortunes the old-fashioned way, through inheritance. Nan Tucker McEvoy inherited one-third of San Francisco-based Chronicle Publishing, which owns the *San Francisco Chronicle*, cable and broadcast properties. Her mother, de Young family matriarch Phyllis de Young Tucker, was the last surviving child of the paper's founder.

Some fortunes don't pass through generations quite as smoothly. After years of fighting that got downright violent, the three Horvitz brothers now find themselves among The Four Hundred. The last piece of their father's media and real estate empire was sold in a court-ordered liquidation this year. In a truly bizarre case, Lillian Goldman, the 66-year-old widow of New York City real estate dealster Sol Goldman (who died a year ago), is battling with her four children for more than a third of her husband's estate.

Two self-made men made the list this year through privately held medical supply companies. William Cook's company, Cook Group, Inc., makes catheters in Indiana. Wallace Coulter's Coulter Counter is the world's most popular blood cell counter. Then there's David Geffen, the music business entrepreneur who built a catalog of mellow folk-rock acts in the late Sixties, then sold his company for a song, built a new one and has had, obviously, tremendous success this year. The 747-on-takeoff sound of rock bands like Whitesnake and Aerosmith have made his independent record company very valuable indeed.

Let's not forget our one new member who made his own fortune through public stock holdings. Mansfield Freeman joined insurance brokerage C.V. Starr & Co. one year after Cornelius Starr founded it in 1919. Freeman sold insurance in China until 1940, then returned to the U.S. He retired in 1960. Since then C.V. Starr & Co. has grown into worldwide giant American International Group. Mansfield Freeman's son, Houghton, votes his father's stock, but the old man still holds on. After patiently waiting it out these 69 years, Freeman, at age 93, has become one of the 400 richest people in America.

All in good time.

Name	Net worth ($mil)	Page
Charles F. Feeney	$1,300	164
Charles A. Sammons	1,300	164
Thomas John Flatley	600	193
Wallace Henry Coulter	500	204
Lillian Goldman	400	220
Millicent V. Baoudjakdji	375	181
David Whitmire Hearst Jr.	375	181
William Alfred Cook	350	235
Joseph Alexander Hardy	350	235
Nan Tucker McEvoy	350	232
Frederik G.H. Meijer	350	232
Frank James Pasquerilla	350	234
Anthony Martin Pilaro	$340	235
Ian Woodner	330	243
Austin Edward Guirlinger	325	244
Jean Bernhard Buttner	315	245
John Edward Anderson	300	253
William Robert Berkley	300	245
Theodore Nathan Lerner	300	248
Arlene Smith Kogod	290	258
Charles E. Smith	290	258
Robert H. Smith	290	258
Charles C. Butt	260	264
Harry Richard Horvitz	260	266
Leonard C. Horvitz	$260	266
William D. Horvitz	260	266
George Leon Argyros	250	267
Marvin Maynard Schwan	250	267
Mansfield Freeman	240	229
David Geffen	240	270
Robert D. Van Kampen	240	269
Murray Henry Goodman	230	272
Arthur Edward Imperatore	230	271
Alfred Lerner	230	272
Martin Selig	230	272
Christopher B. Hemmeter	225	273

of Forbes Four Hundred fortunes: Art collections are a common pastime among the wealthy. Auction prices are becoming, as the kids say, awesome. It wasn't just Van Gogh's *Irises,* the painting that brought in an alltime record $53.9 million at Sotheby's last November. (A little over three years ago, another high-caliber Van Gogh, *Paysage au Soleil Levant,* sold for less than a fifth that amount—$9.9 million.) A Degas sculpture that sold for $418,000 in 1971, for instance, was recently auctioned off for $10 million.

There are now people—Richard Manoogian of Masco Corp. is one of them *(see p. 398)*—who can easily qualify as among the richest people in America on the strength of their art collections alone.

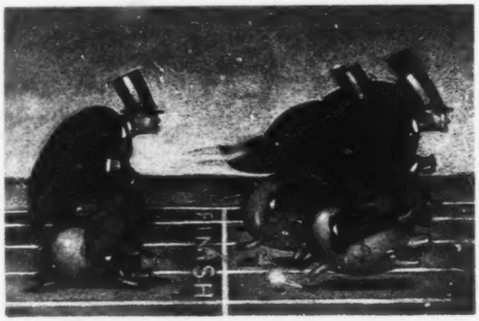
The billions are out there. The ways of getting them are more numerous than ever—and unpredictable. ■

Rules of the Chase

THE FORTUNES OF THE VERY RICH are difficult to calculate. Often it isn't even clear exactly who owns a great fortune. It is frequently parked, at least partly, in the names of the immediate family or concealed in private investment companies. Or, more difficult to find, it is held in trusts, where separate elements of ownership (control of principal, receipt of income, power to name heirs, etc.) are deliberately spread among different people to defend against inheritance tax laws.

To arrive at coherent estimates of wealth, FORBES adopts a number of rules:

- Blocks of publicly traded stock are priced at the market close on Aug. 30. (The summary statistics do not reflect late stock market changes occurring as we went to press.)
- Privately held companies are valued according to estimated revenues and earnings and to prevailing price/earnings ratios for publicly traded companies in similar businesses.
- When earnings aren't known or are suspect, we adopt rule-of-thumb conventions. Newspapers, for instance, can be valued at 2 to 4 times revenues or 12 to 20 times cash flow, less debt. Television and radio stations, cable systems and some newspapers are valued for us by authoritative media brokers.



- Among oil and gas producers we rarely go beyond putting fair valuation on their reserves, to be conservative. Some oil and real estate magnates have substantial assets not in their own names, so in one or two cases we were forced to rely on consensus estimates of knowledgeable peers. These estimates, naturally, are treated cautiously.
- In the matter of trusts and other intrafamily arrangements, we proceed on a case-by-case basis, applying common sense. Most trusts plainly exist to carry out a normal pattern of inheritance (to husbands, wives or offspring) and to minimize inheritance taxes. We look at who controls the wealth. The trusts are generally attributed to the person who created the wealth, if still alive and in control; or, if that person is not alive,to the principal controlling family member or members (and not the family lawyers).

Obversely, spendthrift trusts, which are meant to keep control out of the hands of beneficiaries, are not credited to the beneficiaries; only estimated trust income is counted.

For an example, consider the Getty family For years Gordon Getty, as sole trustee of the major family trust, made all investment decisions—such as selling Getty Oil to Texaco—without any other family members. He also controlled distribution of trust income for himself, one brother and nieces and nephews.

The principal was never his to bet at the track or spend on wine, women and song. But otherwise his power was nearly absolute, and he already had more spending money than he could use outside the trust. In a practical sense he differed little from the outright heir who chooses not to spend capital but to responsibly manage a fortune for himself and his family. We attributed the fortune to him then. But now the family is in the courts and he's no longer acting as trustee, by court decree, and so we no longer do so. (He remains on our list, further down, based on estimated personal assets.) As the Getty trust is broken up, other family members will acquire similar powers over their portions and be included.

Lawyers sometimes say a trust is "owned" by those who ultimately will receive the principal—here, the next generation of the Getty family. But, in fact, the next generation has no power to spend or invest principal or to disburse income to themselves. It is difficult to take such "ownership" seriously—if Gordon Getty had a child still in diapers, the infant would, according to the lawyers, be counted as one of the richest people in America. A controlling person's powers may be weakened by the limitations of a trust. But every other party's claim to present "ownership" is far weaker still.

Irrevocable charitable trusts and foundations are not counted as personal wealth at all.

Wealth in the names of spouses and other immediate family members is sometimes assigned to the principal family member, especially where ties are close. Where a member's shares are sufficient to entitle him or her to a place among the richest people in America, we generally list him or her separately. A prime exception is the case of Sam Walton, who set up a family holding company for himself and his four children when he started Wal-Mart. Each Walton technically holds a 20% interest, but there can be little doubt who really controls the fortune. So we list one Walton billionaire, the founder, rather than five individuals. This practice is, of course, not followed where family members have gone their separate ways.

Billionaires

Sam Moore Walton

Wal-Mart Stores. Bentonville, Ark. 70. Married, 4 children. Born in Kingfisher, Okla., worked to help support family during Depression (delivered papers, milked cows). Studied economics at U. of Mo. 1940. Began at J.C. Penney for $85/month; stateside MP WWII. Opened Ben Franklin store, Newport, Ark., 1945 with money saved in Army; lost lease 5 years later; started over in Bentonville with brother James L. *(which see).* Tried to interest Ben Franklin executives in discount store concept: weren't interested. Opened first Wal-Mart in Rogers, Ark. 1962. Went public 1970, expanded enormously. Now 1,200 Wal-Mart stores, $15.9 billion sales, third-largest retailer in U.S. "Anyone can do what we've done, because I'm not that smart." Sam's work ethic: "TGIM—Thank Goodness It's Monday." No longer CEO, but travels weekly to stores, pilots own small plane; financial incentives, corporate cheers motivate employees. Opened first of three Hypermart USAs 1987; each the size of 5 football fields. His 40% Wal-Mart (with children), banks, etc. worth $6.7 billion. Detests richest-American tag: "It's just paper—all I own is a pickup truck and a little Wal-Mart stock."

Franceur/Gamma-Liaison

Sam Moore Walton

John Werner Kluge

Metromedia Co. Charlottesville, Va., NYC. 75. Twice divorced, remarried; 3 children. German-born (*klug* is German for "clever"), family arrived Detroit 1922. Scholarship to Columbia, got economics degree. After WWII (Army intelligence) bought Maryland radio station. Took control of Metropolitan Broadcasting with partners 1959; parlayed into Metromedia. In celebrated 1984 buyout, liquidation of Metromedia assets (TV and radio stations, billboards, Harlem Globetrotters, cellular telephone, etc.) realized 2.5 times ($4.65 billion before taxes, debt) what shareholders got. Converted to Catholicism before marrying magazine model Patricia Rose Gay, 1981. With $2.5 billion cash hoard, started computerized billboard painting company, hiked Orion Pictures stake to almost 70%, bought 14% Advanced Telecommunications. Bought $500 million (sales) Ponderosa steak house chain last February: "If things get worse, we've always got a place to eat." Pledged $100 million to $1 billion fund for "friendly LBOs" with partners Stuart Subotnick, Jack Perkowski. Still has cellular telephone interests NYC, Phila.; long-distance phone service. Gave $25 million to Columbia

Robert Phillips

John Werner Kluge

1987. Net worth $3.2 billion. "There are many opportunities—it's awesome."

Henry Ross Perot

Electronic Data Systems. Dallas. 58. Married; 4 daughters, 1 son. After Naval Academy, IBM sales job, founded data processor Electronic Data Systems 1962 with $1,000 of wife's savings. "My wife still wants to know why everything's in both our names." His EDS stock rose to $1 billion market value 1968; lost $600 million in 1969 stock crash. Failed effort to revive 2 Wall Street firms 1970-73: "I was trying to farm when there was no rain." Rescued 2 EDS employees from Iranian prison 1979; big backer hostage rescue operations Lebanon, Iran: "The choice of first resort for covert operations. He got things done quickly, unlike the CIA." Sold EDS to General Motors 1984; his share: $991 million, plus GM preferred stock. GM bought out "Pesky" Perot for $700 million 1986. Has $20 million in Steve Jobs' NExT, Inc. computer firm; owns Petrus Oil & Gas. Day after noncompete agreement with GM expired in 1988 formed EDS-like Perot Systems. First proposal: computerize, streamline U.S. Postal Service; contract derailed by GM and Planning Research Corp. on appeal. Perot: "GM tried to stop it. It's the American way." Real estate, liquid assets, other investments worth about $3 billion: "Whatever Malcolm says."

Brian Smale/Onyx

Henry Ross Perot

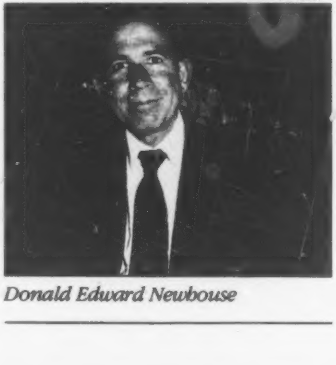
Samuel Irving Newhouse Jr.
Donald Edward Newhouse

Brothers. Publishing, cable TV. Father Samuel born to Eastern European immigrants; at 16 ran Bayonne (N.J.) *Times*. Took over ailing *Staten Island Advance* 1922. Fanatic cost-cutter; working out of briefcase, built nation's largest-circulation privately held newspaper chain. Ran business with 3 brothers; 2 sons tagged along on rounds. Legend says wife inspired 1959 purchase of magazine publisher Condé Nast: "She asked for a fashion magazine and I went out and got her *Vogue*." Death in 1979 brought still unsettled estate tax case (IRS wants $914 million, brothers offer $47 million). Si: NYC. 60. Divorced, remarried; 3 children. Chairman, supervises magazines (total circ. 30 million, including *New Yorker, Gourmet, Vanity Fair, Parade*), also Random House. Workday starts at 4 a.m. Son Samuel III *Jersey Journal* publisher. Donald: NYC. 59. Married, 3 children. *Advance* president, runs 22 newspapers (total circ. over 3 million), including Newark *Star-Ledger*, Portland *Oregonian*, New Orleans *Times-Picayune*; cable TV (over 850,000 subscribers). Son Steven, *Jersey Journal* editor. Brothers low profile. Allowing for potential tax liability, possible debt, share publishing empire still worth estimated $5.2 billion.

Bruce Zake

Samuel Irving Newhouse Jr.

Robin Platzer



Donald Edward Newhouse

Henry Lea Hillman

Industrialist, venture capitalist. Pittsburgh. 69. Married, 4 children. Cool-headed son of fiery coal-steel-gas magnate John Hartwell Hillman Jr., who nipped at Mellon heels, built Pittsburgh Coke & Chemical, Texas Gas Transmission, etc. Henry joined business 1946, took over after father's death 1959. Sold off smokestack assets, diversified into real estate, light industrials; holdings estimated $300 million 1969. Science/technology follower: invested in Silicon Valley early 1970s via venture capital funds, later on own. Also backed LBO shops, including Kohlberg Kravis Roberts & Co. *(which see)*; later pulled off his own: Copeland Corp. Recent investments: Cytel Corp., fledgling Calif. biotechnology firm; 1,400-acre Pacific resort. Director GE, Chemical Bank. Private. Wife Elsie chairs Bush Pa.

Lynn Johnson/Black Star

Henry Lea Hillman

campaign; children not in business. Assets, investments, believed to exceed $2.5 billion.

Lester Crown

Inheritance, industrialist. Wilmette, Ill. 63. Married; 7 children, 3 in business. Father renowned Chicago financier Henry Crown, 92, built empire on small sand-and-gravel firm, Material Service Corp., 1919. Merged with General Dynamics 1959 for stock, now 22% stake. Amassed real estate, incl. Empire State Building; sold reluctantly 1961 for estimated $31 million profit. Brother Irving (d. 1987) "the operating man," Henry "the conceptual man." Mantle passed to Harvard M.B.A. son Lester: "There has to be a yes-or-no person." Irving's son-in-law Charles (Corky) Goodman, 54, acts as right hand. Lester on GD board, high-level security clearance upheld despite 1972 bribery scandal. Real estate partnership with Tishman-Speyer codeveloped nearly 5 million sq. ft. Chicago alone. Son James, 34, also GD board member. With real estate, stock (incl. Chicago Pacific, American Shipbuilding), family interest in New York (baseball) Yankees, Chicago (basketball) Bulls, Lester controls family fortune of at least $2.3 billion, wants off Forbes Four Hundred. On estimate: "The information cannot come through any reliable source. Unless you have a mole someplace."

John Madere

Lester Crown

Barbara Cox Anthony

Anne Cox Chambers

Sisters. Inheritance. Daughters of James Middleton Cox, country schoolteacher, reporter who bought Ohio's *Dayton Daily News* 1898 for $26,000; staunch Democratic reformer thrice elected governor of Ohio; failed presidential bid 1920 (FDR running mate). Returned to media, bought *Atlanta Journal & Constitution* 1939; d. 1957. Son James Jr. diversified into broadcasting, cable; antitrust forced spinoff 1964 of Cox Communications; d. 1974. Cox Enterprises now 19 daily newspapers, 9 weeklies, 8 TV stations, 12 radio stations, 1 monthly magazine, 1.45 million cable subscribers, Telerep (top billing TV rep firm), auto auctions, cattle ranches, trucking company, paper mill interest. Owned 98% by his sisters. Anne: Atlanta. 68. Divorced, 3 children. Civic-minded, crack shot, socialite, named ambassador to Belgium by friend Jimmy Carter. "I really am basically a peasant." Barbara: Honolulu, 65. Divorced, widowed, remarried; 2 children. Ranches in Hawaii, Texas, Australia. Third husband Garner Anthony, 59, ran company 17 years, completed $1.3 billion buyout/merger Cox Communications 1985. Son James C. Kennedy, 40, succeeded as chairman 1988. "Let's just say I'm glad we're not in steel." Both women directors on board, Anne chairman of Atlanta newspapers, Barbara chairman Dayton newspapers; Jointly, sisters believed worth at least $4.5 billion.

Thomas Iannaccone/WWD

Anne Cox Chambers

Jay Arthur Pritzker

Robert Alan Pritzker

Brothers. Financiers. Progenitor Nicholas Pritzker left Kiev for Chicago 1881; formed Pritzker & Pritzker law firm 1902. 3 sons became partners. Son Abram (A.N.) left to pursue business 1936; became Chicago legend: "I copied the Rothschilds"; d. 1986. A.N.'s sons added vast holdings. Family head, Jay: 66. Married, 4 children. Like father, studied law, then business career. Loves dealmaking but not risk. With brother Donald (d. 1972) built Hyatt Hotel Chain (sales: $2.33 billion) starting with friend's dare 1957. Now run by Jay's son Thomas, 38, leader of rising generation. Robert: 62. The family engineer. Divorced, remarried; 5 children. Runs some 60 private companies through Marmon group (1987 sales: $3.24 billion). "When you've got this much money, you've got to do something with it." Recent deals: acquired a 7.2% stake in competitor Ramada Inc., then made bid for rest. Sold 68% of ailing Braniff after 4½-year turnaround attempt. Expanding hotel and resort developments. Fortune easily exceeds $4.4 billion.

Kevin Horan/Picture Group

Jay and Robert Pritzker

Warren Edward Buffett

Stock market. Omaha. 58. Married, 3 children. Son of stockbroker; "Fireball" bought first books on stock market at age 8; stocks, age 11. Attended Columbia Univ. School of Business; star pupil, disciple of market guru Benjamin Graham; apprenticed at Graham's investment co. 1954. Formed own investment co. 1956; dissolved in 1969 after 30-fold growth, no down

Kenneth Jarecke/Contact Press Images

Warren Edward Buffett

years. Bought Berkshire Hathaway textile mill 1965, diversified profitably (22% compound growth); shut down unprofitable textile co. 1985. Core of B-H called "The Sainted Seven": *Buffalo News;* Nebraska Furniture Mart; See's Candies; Fechheimer Brothers (a uniform manufacturer-distributor); Campbell-Hausfeld (a diversified mfg. co.); Kirby vacuum cleaners; *World Book:* 1987 sales $2.3 billion. B-H also has stake in Capital Cities/ABC, *Washington Post,* Gillette. Likens hunt for acquisitions to "bagging rare and fast-moving elephants." Annual reports known for *bons mots*, popular reading on Wall St. Appeared in ABC soap *Loving* episode as bartender; likes McDonald's, Cherry Coke, bridge; hates parties. His B-H stock, other holdings worth over $2.2 billion. "It's just not necessary to do extraordinary things to produce extraordinary results."

David Packard

Hewlett-Packard. Los Altos Hills, Calif. 76. Widowed; 1 son, 3 daughters. Stanford scholar-athlete: Phi Beta Kappa, football, basketball, track. Worked in General Electric Co.'s vacuum tube division 1936-38. Founded Hewlett-Packard Co. 1939 in Palo Alto, Calif. garage with $538 and Stanford buddy William Hewlett *(which see).* Early products: automatic urinal flusher, bowling alley foul-line indicator; wives worked to support them. Invented revolutionary audio oscillator; sold first one to Disney to make ground breaker *Fantasia*. H-P now international manufacturer electronic measurement devices, computer products; over $8 billion sales (1987). Nixon's Deputy Defense Secretary 1969-71, chaired Reagan's Blue Ribbon Commission on Defense Management 1985-86. Very active, generous to children's charities. Packard's remaining 16% of H-P stock worth over $2 billion. Announced April will give bulk of fortune to David and Lucile Packard Foundation, making it one of nation's wealthiest. "We decided early on this was what we wanted and we worked 25 years to get to the point where we can do it."

Doug Menuez/Picture Group

David Packard

Donald Leroy Bren

Real estate. Newport Beach, Calif. 56. Twice divorced, 3 children. Hollywood rich kid: dad was late movie producer Milton Bren, stepmother actress Claire Trevor; grew up Beverly Hills. Attended U. of Wash. on skiing scholarship; lost Olympics bid 1956. After Marines, borrowed $100,000 to build first home 1958; sold his homebuilder Bren Co. to International Paper for $34 million 1970 (bought it back 1972 for reported $22 million). Big move 1977: with Al Taubman, Milt Petrie, Max Fisher, Herb Allen *(all of which see),* others, bought Irvine Ranch for $337 million. Too many cooks in the kitchen: after squabbles with Taubman ("Each of their egos could fill the room"), bought out most partners 1983 for $518 million; still battling litigious Joan Irvine Smith in Mich. court over buyout price. Bren now owns 64,000 Orange County acres, one-sixth of county. Republican moneybags; attended New Orleans convention 1988. "I want to stay out of the spotlight any way I can." Worth estimated at least $1.85 billion.

John Harding

Donald Leroy Bren

Adolph Alfred Taubman

Real estate. Bloomfield Hills, Mich; 64. Divorced, remarried; 3 children. Father Phil was Detroit custom home builder. Schoolboy Adolph overcame dyslexia, slight stutter. In 1950, at 25, U. of Mich. dropout started construction firm with $5,000 loan; built first mall 1953, other strips. Developed large regional malls 1960s; high rents, tough leases: "If they don't like it, they don't have to rent with us." Controls 20 posh regional centers, 24 million sq. ft. Led Irvine ranch buyout 1977; pocketed $150 mil-

Anthony Savignano/Ron Galella

Adolph Alfred Taubman

lion when sold 1983. White knight for Sotheby's 1983, took public 1988; "Big Al" pocketed $47 million, kept 56%. Mid-1980s department store binge: bought Woodward & Lothrop 1984 for $227 million, Philadelphia's Wanamaker chain for $174 million, 1986 (both now up for sale). Mortgaged out $650 million on half of his mall equity 1985. Prowling with cash: aborted run at Pulitzer Publishing 1986. Also owns A&W Restaurants, 5% Macy's, etc. Worth at least $1.85 billion. Associate: "Really, he's a kind of God-figure."

Harry Brakmann Helmsley

Real estate. NYC and Greenwich, Conn. 78. Divorced, remarried; childless. Son of NYC dry goods salesman; Harry born 1909, raised in the Bronx. Took only college-level real estate courses, others "a waste of time"; at 23, worked as office boy for $12/week at NYC real estate firm. Paid $1,000 for first building 1936: "I've always wanted to be the biggest real estate man to come down the pike." Biggest in NYC anyway: Helmsley-Spear, Inc. today controls over 50 million sq. ft. commercial space, 50,000 apts., 13,000 hotel rooms nationwide. Pioneered syndication with Larry Wien *(which see)*; owns piece Empire State Building. Harry divorced wife of 33 years, married thrice-divorced Leona (erstwhile Chesterfield cigarette girl) 1972; Leona now "Queen" of Harry's hotels (including NYC Helmsley Palace). Leona: "Every morning I get up and turn to Harry and say, 'Today is a good day because I'm with you.'" Harry: "It was her love of life that appealed to me." Together, the pair was indicted for tax evasion in 1988 for billing personal expenses to hotels; Leona indicted separately for extortion. Helmsley lawyers: "They've paid more taxes than practically any other individuals in this country." Harry's estimated real estate equity at least $1.7 billion.

Ted Kappler/Sygma

Harry Brakmann Helmsley

Marvin Harold Davis

Oil, real estate, entertainment. Beverly Hills, Denver. 63. Married, 5 children. Father Jack, British-born boxer, wove fortune in NYC's garment district; began wildcatting 1940s. Marvin went to NYU, joined dad 1947; "Mr. Wildcatter" scooped up cheap oil leases in Rockies. Marvin's guru: legendary H.L. Hunt ("Son, the guy that drills the most has the chance of coming up with the most"). Marv came up with $630 million selling some oil properties to Hiram Walker 1981; bought 20th Century Fox with Marc Rich *(which see)*. Bought out Rich, sold Fox in stages to Rupert Murdoch *(which see)*; kept prime resorts Pebble Beach Co., Aspen Skiing Co., $350 million profit. Bought Beverly Hills Hotel from Ivan Boesky for $135 million 1986; flipped to Sultan of Brunei 1987 for $200 million. "Marvin will get your last nickel." Bought 2% Lorimar, looked at Dallas (football) Cowboys 1988. Hollywood party animal: "I love this stuff, the people and the glamour." Nourishing his 300 lbs. with imported NYC Carnegie Deli pastrami, cheesecake; building Beverly Hills version with owner Leo Steiner. Sitting on $1 billion in cash; oil, real estate, etc. make total at least $1.6 billion.

James Smeal/Ron Galella

Marvin Harold Davis

Robert Muse Bass

Oil, investments. Fort Worth. 40. Married, 2 children. Third son of oilman Perry Richardson Bass, who expanded oil holdings inherited from tycoon uncle Sid Richardson (d. 1951). Perry retired 1968, left family empire to sons. Eldest, Sid *(which see; also Lee, Edward)*, steered investments out of oil into stocks (Disney, Texaco, etc.), real estate. Robert, feeling overshadowed by brother (both Andover, Yale, Stanford business grads), formed Robert M. Bass Group 1983, moved one floor down in Bass-built Fort Worth office tower. Sold most of Disney stake; shrewd investments since in media (Taft Broadcasting, three cable TV plays), real estate (Westin Hotels, much commercial property), gung-ho on information age (bought Bell & Howell, bid for Macmillan), buying into biggest of all S&L buyouts, American S&L Assoc. of Calif. Avoids press, but rumored political ambitions may change that: joined fight against unsightly Fort Worth freeway 1984, paid $2 million for U.S. Grant's Georgetown home 1985. Drives a Volvo, owns a dealership. Own investment gains to date believed to exceed his share of family fortune, total worth at least $1.6 billion.

Ben Weaver

Robert Muse Bass

Ted Arison

Carnival Cruise Lines. Miami Beach. 64. Divorced, remarried; 2 children by first marriage, 1 adopted in second. Palestine-born son of largest Israeli shipowner. Quit college for British army's Jewish brigade 1942. To New York 1952, lived on $10 a week. Started short-lived cargo line, then air cargo firm, took public, sold out at 42. Saw potential in mass-market cruise business, but joint venture with Norwegian Caribbean Lines ended in vitriolic lawsuit. With schoolmate Meshulam Riklis *(which see)* formed Carnival. In 1972 maiden cruise ran aground with 300 travel agents aboard; bought out Riklis 1974 for $1. Line profitable ever since. Now world's largest by passenger count with seven "fun" ships—full-scale casino on each—catering to middle America, usually fully booked; Panamanian and Liberian registry avoids U.S. taxes; son Micky, 39, president. Also operates Nassau casino. Took Carnival public 1987; his and family's 80%, other holdings (NYC's Ensign Bank, Atlanta real estate firm, his share of Miami Heat basketball franchise), worth $1.6 billion.

Gerald Davis

Ted Arison

Samuel Jayson LeFrak

Real estate. NYC. 70. Married, 4 children. Father Harry came from France 1905; Sam grew up on Brooklyn farm ("cows and everything"). Joined dad's construction co. 1940 after U. of Md.; took over 1948. First major project: 5,000-unit LeFrak City in Queens, N.Y. 1960: "I saved the middle class from having to leave New York." Built quick, cheap, nationwide 1960s-70s (for "the mass, not the class"); now U.S.' largest apt. owner with 90,000 units (some 50,000 in N.Y. area). With Mel Simon *(which see)*, building Newport project on 400 acres abandoned N.J. rail yards: 9,000 apts., office, retail space ("Like Madison and Columbus avenues without the muggers"). Also entertainment, oil & gas. Revolving business cards: "Dr." LeFrak after awarded honorary law doctorate 1975, then "Sir" LeFrak after Finnish decoration 1980. "Lone Ranger" of NYC real estate, by any title, worth over $1.5 billion. "I make the rules."

Michele Singer/Outline

Samuel Jayson LeFrak

Edward John DeBartolo

Shopping centers. Youngstown, Ohio. 70. Widowed; 1 son, 1 daughter. Began career at 13 preparing bids for Italian-speaking father's contracting business; after high school drove a truck for a year. Notre Dame 1932; Army Corps of Engineers WWII; formed small construction company 1948. Turned to then-risky strip malls 1950s; DeBartolo now "King of Malls": owns/manages 84 million sq. ft. nationwide. M.O.: at least 3 dept. stores per mall, specialty shops, usually one theater, etc. "We don't go for supermarkets. No bowling alleys either. People who go to bowl aren't dressed to shop." Also office bldgs., oil wells, hotels, horse racing tracks; family owns San Francisco (football) 49ers, Pittsburgh (hockey) Penguins. With pal Leslie Wexner *(which see)*, bid for Carter Hawley Hale rejected 1986; lost bid for Allied Stores 1986. Backing Canadian Robert Campeau's takeover spree: lent $150 million for Allied deal, $480 million for Federated. With Dillard Dept. Stores, bought Higbee Co. 1988. "Mr. D" sleeps 4 hours a night; at work by 6:00 a.m.; works 18-hour days. Worth at least $1.4 billion. "It's not the money. It's the action. I love it."

Edward John DeBartolo

Sumner Murray Redstone

Viacom, Inc. Newton Centre, Mass. 65. Married, 2 children. As Harvard student broke Japanese codes during WWII. Practiced law briefly; took over father's drive-in-theater chain, built into 400-screen National Amusements Inc. (est. 1987 sales, $140 million). As inves-

Seth Resnick/Picture Group

Sumner Murray Redstone

tor, huge gains on Twentieth Century Fox, Columbia Pictures takeovers, MGM-UA Home Entertainment buyback. Badly burned in 1979 Boston hotel fire, survived by clinging to ledge. Taught entertainment law class Boston U. Paid $3.4 billion for entertainment giant Viacom (Showtime/The Movie Channel, MTV, cable, radio, TV stations) 1987. Took public next day, his 83% worth over $1 billion: "What did I know about MTV? I only knew I couldn't stand looking at it." Fought John Kluge *(which see)* for control of Orion Pictures, cashed out recently; sold some Viacom cable to trim debt. National Amusements, Viacom, etc. worth over $1.4 billion.

Forrest Edward Mars Sr.

Forrest Edward Mars Jr.

John Franklyn Mars

Jacqueline Mars Vogel

Candy. Son, 2 grandsons and granddaughter of Frank and Ethel Mars, Seattle candymakers who moved to Minnesota 1920 after two failures, 1914 bankruptcy. Fortune assured with Milky Way recipe 1923. Frank (d. 1934) financed son Forrest's British candy business to keep him distant. Forrest Sr. Las Vegas. 80s (spokesman: "Nobody's got the courage to find out how old he is"). Married; 2 sons, 1 daughter. Built empire abroad, returned 1940 as one-third owner; added M&M's, Uncle Ben's Rice. Bought out half-sister, got full control from rest of family 1964. Mars, Inc. now one of world's largest candy companies, also Kal Kan pet food, much else; sales estimated near $8 billion, about one-fifth from 37% share U.S. candy market. Secret is quality ingredients ("quality first, then worry about profit"), cheaper wrappers: "They don't eat the package." Supersecretive: known in industry as "Kremlin of candy." Forrest Sr. retired 1973, runs fine-chocolate boutiques Las Vegas. Classic quote: "I pray for Milky Way, I pray for Snickers." Forrest Jr.: McLean, Va. 57. Married, 4 daughters. Secretive like father. Once ran Dutch unit. Now copresident, considered CEO. Pushed new image for candy: gives energy, not pimples; entered granola bar market. John: Arlington, Va. 54. Married; 1 son, 1 daughter. Called brusque, strong-willed; said to have inherited father's, grandfather's autocratic manners. Began in Australian operation, now copresident. Jacqueline: Bedminster, N.J. 49. Divorced, remarried; 3 children. Director. These siblings said to own one-third each of Mars stock, yet still visibly insecure at mention of father's name; four share control of company worth more than $5.2 billion.

Greg Mathieson/MAI

Forrest Mars Sr.

Edgar Miles Bronfman

Seagram Co. NYC. 59. Married 4 times (twice to current wife); 7 children. Father Samuel ran small hotel in Winnipeg. Switched to the liquor trade and profited greatly from Prohibition. Acquired competitor Joseph E. Seagram & Sons Ltd. 1928. After Sam's death business divided between sons 1971: Charles took Canadian subsidiary; Edgar American, proved more dominant. In tense decision, Edgar Jr., 33, former songwriter, theater and film producer, informally chosen to succeed father as CEO over brother Samuel. Edgar: "I was never anxious for my offspring to get into the business. I grew up knowing I had no choice." Philanthropist, heads World Jewish Congress. Family trust dissolved in 1987 allowing "CEMP" heirs to "do their own thing." Edgar's share: some $520 million. This, plus 16% stake in Seagram, worth some $1.3 billion.

Antonio Suarez/Time Magazine

Edgar Miles Bronfman

Leonard Norman Stern

Pet supplies, real estate. NYC. 50. Divorced, remarried; 3 children. Father Max emigrated from Germany 1926 with 2,100 singing canaries; "Mr. Max" founded Harz (not yet Hartz) Mountain selling birds, cages, birdseed. Leonard had NYU M.B.A. at 21; took over Hartz 1959, expanded into dog, cat supplies. Took public 1972, private again 1979; Hartz now dominant pet supplier (estimated sales, $675 million). Maybe too dominant: antitrust suits have cost Hartz $100 million since 1970 (including $42.5 million to A.H. Robins 1979). Took real estate gamble 1969 with purchase 750 swampy N.J. acres; now 35 million sq. ft. mixed-use space built, worth $760 million: "People told me I was crazy." Also NYC projects. Bought *Village Voice* 1985 for $55 million. Launched sister weekly *Seven Days* 1988 ("There's a market uptown just like there's one downtown"). "My work is a smorgasbord of excitement." Should be: net worth at least $1.3 billion.

Joyce Ravid

Leonard Norman Stern

Charles A. Sammons

Cable TV, insurance. Dallas. 90. Widowed, remarried; 1 daughter. Born Ardmore, Okla. 1898. After parents died, raised by aunt, moved to Plano, Tex. 1918 to become hay, grain merchant. He and friends founded Postal Indemnity Co. in Waco, then formed Reserve Life Insurance Co. Dallas 1938 with $26,000. Acquired other life cos.; entered into cable TV early 1960s: "Cable is somewhat like Alice in Wonderland. You have to run just to keep up." Today privately held Sammons Enterprises, Inc. nation's 15th-largest cable operator with about 847,000 subscribers; also owns 11 life insurance cos. ($1.1 billion assets), hotels, bottled water cos., etc. 1987 sales, $1.3 billion. Charles press-shy, rarely photographed; runs show from Dallas high-rise apartment: "Our bankers are our audience." Does one local press story every 15 years for "the good of the business." Charles' and family's 90% Sammons Enterprises worth at least $1.3 billion. "I have an angel on my shoulder."

Ray Lee Hunt

Inheritance, oil. Dallas. 45. Married, 5 children. Only male in "second family" of oil baron, bigamist H.L. Hunt, who married Ruth Ray, adopted her four kids 1957 two years after first wife's death. Kept families secret from one another *(see Hunt family, Margaret Hill, Caroline Hunt)*. Ray, with mother, 3 sisters, inherited then-ailing Hunt Oil Co. 1974. "The smartest Hunt" revived company, expanded overseas, diversified into real estate; huge North Yemen strike 1984. "You minimize risk by doing as much homework as possible, then every once in a while you stumble across something that makes you go boom." Inherited little real estate; his Woodbine Development now controls 1.8 million sq. ft. office space, 2,840 hotel rooms, 3,000 acres industrial, residential, raw land. Includes Dallas landmark Reunion Tower, Fort Worth's Continental Plaza, others. No connection with half-brothers' bankruptcy. Controls fortune, much in trusts, worth over $1.3 billion.

Zigy Kaluzny/Gamma Liaison

Ray Lee Hunt

Charles F. Feeney

Duty Free Shoppers and General Atlantic Corp. London. 57. Married to French woman, 5 children. Founded Duty Free Shoppers in Hong Kong 1960 with classmate at Cornell School of Hotel Administration, built into world's largest duty-free retailer *(see story, p. 36)*. Credited with great insight into Japanese consumers, DFS's main customers. Also, insight into tour guides: lavish with commissions for guiding to his stores. Left day-to-day management in early 1970s to concentrate on investments of enormous cash flow through Bermuda-based General Atlantic holding company: resort hotels in Guam and Saipan; shopping center in Tahiti; wristwatch chain in Taiwan; 3 clothing retail chains in Hawaii; discount clothing chain in Texas; reportedly, audio retail chain in Southeast, posh cashmere store in London, magazines in England. Described by friends as high-strung, fast-talking, fast-thinking, frugal: "He never stops." Flies economy class, owns at least 8 houses Europe, U.S., Bermuda. "He's really most content at 36,000 feet." His 40% stake in DFS, other assets, worth over $1.3 billion.

Charles F. Feeney

John Thompson Dorrance Jr.

Inheritance. Gladwyne, Pa. 69. Divorced, widowed, remarried; 3 children by first wife, 4 stepchildren. Father John Sr., brilliant chemist, turned down professorship for $7.50-a-week job at uncle's Campbell Preserve Co. 1899. Wanted to try nutty idea: selling condensed soup in cans. Became president Campbell Soup Co. 1914. Proved master salesman: "We were the original advertiser in many ways." Left $129 million estate 1930 to 5 children (4 daughters now dead, *see nieces, Dorrance Hamilton, Hope van Buren)*. One-third to John Jr., who joined co. as hourly factory hand 1946; chairman 1962. Oversaw expansion: Swanson, Pepperidge Farm brands. Open-heart surgery 1981; retired 1984. Son J.T. III, Wyoming rancher, on board. John Jr.'s 31% Campbell's good for $93,000 in dividends per day. Family trusts, other investments worth over $1.2 billion.

Benno Friedman

John Thompson Dorrance Jr.

Walter Hubert Annenberg

Publishing. Wynnewood, Pa.; Rancho Mirage, Calif. 80. Divorced, remarried; 1 daughter (1 son deceased). Son of Moses Annenberg, colorful founder predecessor Triangle Publications *(Philadelphia Inquirer, Daily Racing Form)*, jailed for tax evasion, died 1942. Callow Walter inherited debt-ridden firm age 32. Started *TV Guide* 1953, now largest circ. magazine in U.S. Also *Seventeen, Good Food*. Sold *Inquirer* 1970 to Knight-Ridder citing lack of heir. Ex-ambassador to Court of

David Strick/Onyx

Walter Hubert Annenberg

St. James's. Sale of Triangle to Rupert Murdoch for $3.2 billion a stunner (Triangle generally valued at $1 billion to $1.5 billion by analysts). Believed nearly $1 billion will go to philanthropies. With other assets, Walter's fortune should be at least $1.2 billion.

Margaret Hunt Hill

Inheritance, oil. Dallas. 73. Married, 3 children. Eldest child of legendary wildcatter H.L. Hunt *(see Hunt brothers, Caroline Hunt)* who taught her oil business. Controls trust for brother Hassie (mentally incapacitated, childless). Publicity-shy, strong-minded Margaret dominated family meetings: "She seemed dedicated to reminding the family that they were Hunts and should act accordingly." Wisely separated holdings in 1983—as did sister Caroline—from brothers' silver-related bankruptcy, bought land from "the boys" at recent bank auction. Son Al unsuccessful independent movie producer. With vast raw land holdings in Dallas area, apparent major Dutch North Sea oil stake, fortune (including Hassie's share) believed worth some $1.2 billion.

Andrew A. Hanson

Margaret Hunt Hill

Keith Rupert Murdoch

The News Corp. Ltd. Australia, London, NYC. 57. Divorced, remarried; 4 children. Graduated Oxford, 1952. Trained on Fleet Street. At 23, after death of father, managing director of Melbourne *Herald,* took over *Adelaide News* and developed trademark sensationalist headlines. Diversified into magazines, TV; also into U.S., U.K.: *Boston Herald, New York* magazine, *Elle,* Twentieth Century Fox, Metromedia TV stations. Trying to build fourth U.S. national network through Fox Broadcasting (expected to lose $80 million this year). Naturalized 1985. Recently forced to sell *New York Post* by FCC regulations legislated by longtime nemesis Teddy Kennedy: "Liberal totalitarianism," accused Murdoch. This year acquired 20.4% interest in publisher of *Financial Times* of London. Buying Walter Annenberg's *(which see)* Triangle Publications *(TV Guide, Seventeen,* etc.) for $3.2 billion. News Corp. 1988 projected cash flow: $875 million; debt: $5.6 billion, pre-Triangle. Murdoch's 46% interest, other assets, worth about $1.2 billion.

David Burnett/Contact Press Images

Keith Rupert Murdoch

Philip Frederick Anschutz

Oil, investments. Denver. 48. Married, 3 children. Grandfather owned Russell, Kans. bank; father Fred ace wildcatter 1930s-40s ("He had the magic touch"). After U. of Kans. B-school, Phil bought out Dad; expanded, snapped up oil & gas leases in rich Overthrust Belt area. Struck pay dirt with Anschutz East Ranch field Utah, Wyo. late 1970s; at market peak, sold half interest to Mobil for $500 million 1982. Now wide ranging, closely guarded assets: cash, oil & gas reserves, minerals (uranium, coal, tungsten), real estate (Denver Hyatt Regency, Anaconda Tower). Bought Rio Grande Railroad 1984 for $500 million; revenues plummeting since, down some 25%. Failed run at Western Union 1986; $1 billion bid for Southern Pacific approved by ICC 1988. Western art, history buff; chews (rarely smokes) cigars. Squash nut, marathoner. "I don't mix business with anything. I don't do business dinners. I don't do business tennis. And I don't do business squash." Despite oil weakness, should still be worth at least $1.1 billion. "If I'm known for anything, it's for keeping a low profile."

AP/Wide World

Philip Frederick Anschutz

August Anheuser Busch Jr.

Anheuser-Busch. St. Louis. 89. Widowed, twice divorced, remarried; 10 children. German immigrant grandfather Adolphus Busch married Lilly Anheuser 1861, sold brewery supply business, joined father-in-law's brewery 1866. Called Anheuser-Busch 1876; brewed Budweiser. Survived Prohibition, Depression making soft drinks, corn syrup. August Jr. joined 1922, cleaned beer tanks. President 1946, rapidly expanded Anheuser-Busch from sagging fourth place among U.S. brewers back to first: "Being second isn't worth anything."

Photographic Resources

August Anheuser Busch Jr.

Bought St. Louis (baseball) Cardinals 1953. Won World Series 1964, 1967, 1982. August Jr., "King of Beers," rode atop beer wagon drawn by Clydesdales at Busch Stadium. Son August III, 51, now runs co. Samples beers daily for proper mixtures of barley malt, hops, yeast, etc.; stays sober. Workaholic, pursues vigorous, imaginative marketing to beat competition. So dad's stock worth over $1.1 billion.

Charles de Ganahl Koch

David Hamilton Koch

Brothers. Oil services. Sons of Fred Koch, cofounder Koch Engineering Co. 1925. Invented thermal cracking refining process to squeeze extra gas from crude; Stalin early customer, bought 15 cracking units 1929. Fred died 1967, four sons inherited $250 million (sales) oil marketer; chairman Charles added refining, gas, chemical operations. Private Koch Industries now estimated $13 billion sales, over $212 million earnings. Charles: Wichita, Kans. 52. Married, 2 children. Three degrees MIT; joined Koch after management consultant gig: "I decided that managing one's own company might be more interesting than consulting to somebody else's." David: NYC. 48. Single. After consulting job, joined Koch 1970; now NYC-based executive VP. Fur flew in 1981-83 scrap for control with brothers William, Fred *(see both)*. Bill claimed chintzy dividends, sued Charles for mismanagement; Charles claimed Bill "afflicted with psychiatric ailments." Settled by $1.5 billion buyout 1983. David: "They wanted cash and they got it. But we got the company." Charles', David's 80% Koch Industries, other assets, worth at least $2.2 billion.

Andy Freeberg

David Hamilton Koch

Larry Fleming

Charles de Ganahl Koch

David Rockefeller

Inheritance. Banking, real estate. NYC, Tarrytown, N.Y. 73. Married, 6 children. Grandson of John D. Rockefeller; youngest of five brothers *(see Laurence and family)*. Chairman Rockefeller Group, highly diversified family investment firm (now taking $80 million stake in Marine-Wendel, controlled by French Wendel steel dynasty); 670-acre N.J. business park (International Trade Center). Only brother with successful career in traditional family business (Chase Manhattan bank). Ph.D. economics 1940, bank CEO 1969-80. Assumed role as international statesman; arrival in South American capitals sometimes sparked riots. Major role NYC real estate (including ill-fated Westway project); 45% S.F.'s Embarcadero Center. Son David Jr., 46, now chairman Rockefeller Brothers Fund, major philanthropic arm. Oversaw family's cash-out on Rockefeller Center, acceding to wishes of cash-hungry younger relatives. His investments in real estate, share of family trusts, etc., believed worth over $1.1 billion.

J.P. Laffont/Sygma

David Rockefeller

Edward Lewis Gaylord

Media, real estate. Oklahoma City. 69. Married, 4 children. Father E.K. bought into *Daily Oklahoman* 1903; one of state's most powerful men, steered company single-handed until death in 1974 at 101. E.L. showing business savvy of his own: $250 million 1983 purchase of Grand Ole Opry, Opryland and now thriving Nashville Network (also owns

TV show *Hee Haw*); 20% Telerate 1986 (sold half, $90 million profit so far). Sold 2 TV stations at 1987 market peak for $425 million. Oklahoma Publishing Co. still has 1 newspaper, 35% of Texas (baseball) Rangers, 5 TV and 3 radio stations. Fiercely conservative, opinionated: "We're against liberal bubbleheads." Son E.K. II, 31, heir apparent, but E.L. not likely to step aside soon. Fortune conservatively estimated at $1.1 billion."We don't like puffed-up numbers."

Edward Lewis Gaylord

Harold Clark Simmons

Investments. Dallas and Montecito, Calif. 57. Twice divorced, remarried; 4 daughters. Son of Golden, Tex. schoolteachers, studied economics at U. of Texas at Austin. First worked as FDIC bank examiner, then loan officer. Bought Dallas drugstore for $5,000 in 1961. Acquired 100 stores, sold to Jack Eckerd Corp. for $50 million stock 1973. "Texas Gunslinger" searches out undervalued companies, invests (reaped $91 million on Sea-Land bid, $142 million from GAF: "I am sometimes called a corporate raider"); also collected sugar refining, chemical, fast-food companies. Merged 2 public firms (LLC Corp., Amalgamated Sugar), created public co., Valhi Inc. Also has 52% NL Industries, extensive real estate in Colorado, southern Louisiana. Active philanthropist, founded arthritis research center in Dallas with $10 million in 1985. Avid skier with family, plays tennis, rides dirt bikes. Stock, real estate worth at least $1.1 billion.

Charles Thatcher

Harold Clark Simmons

William Henry Gates III

Microsoft. Seattle. 32. Single; nicknamed Trey. Created first computer program at 13; first software business at 15. Scored perfect 800 on math portion of SAT; dropped out of Harvard at 19 to found Microsoft with Paul Allen *(which see)* 1974. Now a leader in independent personal computer software; almost $600 million in revenues. Notorious for fast driving; even slapped with speeding ticket in his power boat. Takes only short vacations for reading or travel. Works until early morning. At Microsoft, creates infectious intensity and competition. Casual dress, even bare feet routine for employees; Gates puts emphasis "on results, not appearances." Results for his nearly 40% of Microsoft: worth at least $1.1 billion. "High-tech stocks are volatile. The price is not a reflection of the contribution we're making." But it reflects more than bare feet.

Seth Resnick/Picture Group

William Henry Gates III

William Bernard Ziff

Publishing. Manalapan, Fla. 57. Divorced, 3 sons. Father was WWI aviator, noted lecturer, author; founded Ziff-Davis 1927. On father's death 1953, 22-year-old William Jr. bought out Davis; tackled "special interest" markets, launching *Car & Driver, Boating, Stereo Review, Skiing,* ultimately some 50 magazines, 6 TV stations. Editorial took backseat to advertising. Bout with cancer early 1980s prompted liquidation. Sold stations for $100 million 1983; in 1985, 12 trade

Lawrence Barns

William Bernard Ziff

magazines to Rupert Murdoch *(which see)* for $350 million; 12 consumer magazines to CBS for $362.5 million. CBS sued, claiming overpayment, but sold at profit 1987. Electronic services division sold 1986, still has 7 computer titles (estimated sales, $145 million) including *PC Magazine*. Combative; trivia fanatic; alters terrain at 39-acre N.Y. estate at whim. Fortune, including $400 million trust designed to encourage sons' interest in computers, worth over $1 billion.

Sid Richardson Bass

Lee Marshall Bass

Brothers. Oil, investments. Fort Worth. Two of four sons of Perry Richardson Bass whose uncle, oil legend Sid Richardson, started with $40 from Perry's mother. Left bulk of reported $100 million estate to charity 1959, rest to Perry, who built new oil empire. To eldest son Sid after Stanford B-school 1968: "This is your responsibility . . . I'm going sailing." Sid: 45. Married, 2 children. Found different gusher in stock plays: Marathon Oil (est. profit, $160 million), Texaco ($450 million), forced Disney turnaround (somewhat reduced holding still worth $1.4 billion). Owes much to adviser Richard Rainwater *(which see)* who went solo 1986; brothers Robert, Edward *(see both)* separated much of holdings, with private IRS ruling 1985. Ultraprivate Sid dove into NYC high society at wife's urging; now facing divorce settlement, rumored near $500 million. Lee: 32. Married, no children. Yalie (as are other three), Wharton M.B.A. Invests with, overshadowed by Sid. Two brothers' share of family assets, private partnerships worth estimated $2 billion.

Ben Weaver

Lee Marshall Bass

Anthony Savignano/Ron Galella

Sid Richardson Bass

William Redington Hewlett

Hewlett-Packard. Portola Valley, Calif. 75. Widowed, remarried 1978; 5 children, 5 stepchildren. Attended Stanford engineering; befriended David Packard *(which see)*. Started H-P in garage, 1939, with $538; used Hewlett's master's thesis design for first product, audio oscillator; used in innovative *Fantasia* movie soundtrack. "Technological wizard" developed shock machine for dieters: "In the beginning we did anything to bring in a nickel." Pushed for world's first hand-held calculator despite company doubts. H-P became largest microcomputer, electronic test, measurement equipment manufacturer: 1987 revenues $8 billion. Also known for people-oriented management style: "I'm a believer in management by wandering." CEO, 1969-78; retired from board, 1987. Philanthropies: medicine (father was Stanford professor of medicine), education; hobbies: fishing, skiing, mountain climbing, botany. Raises cattle with Packard. His 11% of Hewlett-Packard worth at least $1 billion. "We were successful because we had no plans."

William Redington Hewlett

Donald Worthington Reynolds

Publishing. Las Vegas. 82. Thrice divorced, 3 children. Son of door-to-door grocery peddler: "We never

George Steinmetz

Donald Worthington Reynolds

missed any meals, but that was about it." Hawked newspapers; worked way through U. of Missouri, journalism degree. Fired from first two jobs, but saved enough to invest in printing plant. Took shrapnel hit in forehead WWII: "It got rid of my sinus trouble." Since war, no-frills policy helped build highly profitable Donrey Media Group: 59 dailies, 62 nondailies, TV station, cable and billboard companies. Flagship is *Las Vegas Review-Journal*. Hates unions; cost-cutting fanatic. Reports many personal relationships, but "not because I'm cute, just solvent." Children uninterested in business; foundation set to inherit estate worth $1 billion when Reynolds heads to "that big newsroom in the sky."

Leslie Herbert Wexner

The Limited, Inc. Columbus, Ohio. 51. Single. "The finest merchandiser in the country today" dropped out of law school to work in father's clothing store. Disagreed with buying, marketing techniques; borrowed $5,000 from aunt to segment-market sportswear to young women. First store 1963; 1987 revenues over $3 billion, 3,270 stores nationwide. Strong sales, partly from acquisitions: NYC's Henri Bendel, Lerner Shops, Victoria's Secret. Flies merchandise from warehouses in Columbus. Also designs successful faux-foreign labels: Outback Red, Forenza. Heavily charitable; owns several homes; dogs that he calls "the Wexner children." Earnings down, but his stock in the Limited still worth $1 billion. "I never knew of anyone who made $15,000 a year. My parents worked 70 hours a week and never made $10,000."

Joyce Ravid/Onyx

Leslie Herbert Wexner

Donald John Trump

Real estate. NYC. 42. Married, 3 children. Father Fred built Brooklyn and Queens apartments; Donald sent to New York Military Academy for high school. Fred: "He was a pretty rough fellow when he was small." Joined family real estate business after Fordham, Wharton business school. Moved on Manhattan 1975: built 1,347-room Grand Hyatt at Grand Central Terminal 1975; topped out opulent Trump Tower NYC 1983; sold condos for $275 million, kept lucrative commercial portion. Moved on Atlantic City 1984: opened Harrah's casino, bought out Holiday Corp.'s interest, renamed it Trump Plaza; bought Trump Castle casino from Hilton for $320 million 1985. Combined 1988 projected cash flow over $150 million: "I'm breaking every record in the history of Atlantic City." Full toybox: "The man in the street, the little guy, digs the limo, the helicopter, the 727." And the huge yacht. Lost Resorts bid to Merv Griffin *(which see)* 1988. Squeezed $125 million out of runs on Holiday Corp., Bally's, Allegis. "It's sure a lot easier than real estate." Claims $3.74 billion net worth. Exaggerating less than usual: Actually, thanks to soaring casino cash flow, officially estimated worth $1 billion this year.

Joe McNally/Sygma

Donald John Trump

Ronald Owen Perelman

Leveraged buyouts. NYC. 45. Divorced, remarried; 4 children. Youngster tagged along as father built small Philadelphia conglomerate; sat on board in grade school, continued there after Wharton. Borrowed $1.9 million to buy 40% of jewelry distributor Cohen Hatfield 1978, turned it into $4.8 billion (assets) empire MacAndrews & Forbes with pyramid power: Use junk leverage to buy companies with undervalued assets, sell some but keep cash cows, then go after bigger fish. Abrasive, tenacious dealster bagged Revlon for $3 billion 1986, then made $4.1 billion bid for Gillette. Weird conglomerate now controls cosmetics (Revlon, Max Factor), drug testing (National Health Laboratories), licorice and cigar makers, etc. Agreed to sell Technicolor for $780 million (bought 1983, $125 million). In spite of heavy debt, may be worth over $1 billion.

Bob Sacha

Ronald Owen Perelman

$500 Million or More

Jack Kent Cooke

Media, real estate. Middleburg, Va. 75. Twice divorced, separated; 2 sons; alleged daughter by most recent wife. Canadian-born, family ruined in Depression. Sold encyclopedias, soap door-to-door. Bought radio stations, newspapers with magnate Lord Thompson; assembled industrial firms. Sold all, naturalized by act of Congress 1960. In Los Angeles bought (basketball) Lakers 1965; built Forum; sold all 1979. Bought NYC's Chrysler Bldg. for $87 million 1979, refinanced for $250 million 1987. Sold early cable TV investment for $80 million profit 1981, shelled out $1 billion for cable systems 1987. Owns D.C. Redskins, LA *Daily News*. Identified fortune over $950 million—unless he gets $1.9 billion price asserted for new cable interests.

Carl Henry Lindner II

Insurance, banking. Cincinnati. 69. Married, 3 sons in business. Left high school to deliver milk for Depression-hit family dairy; opened ice cream store 1940, built to 220-store United Dairy Farmers chain. Formed American Financial Corp. (assets now $8.1 billion) with three small S&Ls 1959; casualty insurance 1971; took private for $340 million 1981. Takes big positions, sets course of selected firms: Penn Central, Taft Broadcasting, United Brands, etc. Family controls Provident Bank. Strict Baptist, hands out card: "The harder I work, the luckier I get." Security fanatic; collects Stutz cars. Postcrash, not clearly billionaire, but over $950 million.

Kirk Kerkorian

Investments. Beverly Hills, Las Vegas. 71. Twice divorced, 2 children. Son of Armenian immigrants, junior high dropout. After WWII repaired, sold DC-3s; built charter airline, sold for $104 million profit 1968. Paid $82 million for 40% MGM 1969; $380 million for United Artists 1981, merged the two 1986. Complex buy-and-sell session with Ted Turner *(which see)* 1986: sold 50% to Ted for $500 million, stock; bought back UA for $480 million. Current hand: 98% struggling luxury airline MGM Grand; 79% of MGM/UA. Seen lately with Cary Grant's 37-year-old ex-wife. Can afford reported $100,000 Superbowl bets: worth at least $950 million.

Carl Celian Icahn

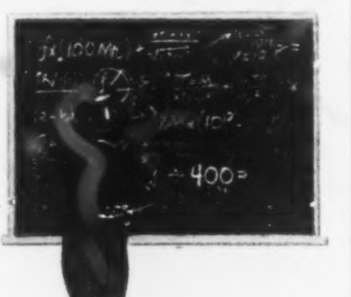
Finance. Bedford, N.Y. 52. Married, 2 children. Cantor's son from Queens; left medical school; arrived Wall St. 1960, started Icahn & Co. 1968. As raider, scooped $190 million in profits from Marshall Field, Phillips Petroleum, Viacom, others. Admits "I'm not Robin Hood"; reviles "corpocracy" but cultivating image as manager. Bought ACF (leases, builds railcars) for $470 million 1984; acquisition vehicle for 76% of TWA, 11% USX, 15% Texaco. His $14 billion Texaco bid rejected in proxy vote but shareholders approved TWA privatization. With TWA turnaround, huge paper gains on investments, net worth est. over $940 million. "I don't know if you call it fun, it's certainly challenging."

David Howard Murdock

Investments. Bel Air, Calif. 65. Divorced, widowed; 2 children. Son of a traveling salesman. Dropped out of school in 9th grade when fire destroyed family home. Pumped gas. Made it big building in Phoenix after WWII. Went from $100 million to $13 million after 1963 collapse. Landed in LA. Recouped through real estate, small companies. Made $100 million greenmail when spat with Armand Hammer forced Occidental Petroleum to buy him out. Bought Cannon Mills 1982, sold 1985. Now owns dozens of companies through Pacific Holding Corp.; 26.8% of $1.8 billion (sales) Castle & Cooke. Collects Arabian horses. Recently took Flexi-Van (leases chassis) private. Worth well over $900 million.

Laurance Spelman Rockefeller

Inheritance, investments. NYC and Tarrytown, N.Y. 78. Married; 3 daughters, 1 son. Grandson of John D. Rockefeller. Early venture capital with principal from huge 1934 trust: Eastern Air Lines, McDonnell Douglas, $100 million gain Apple Computer. Developed exclusive resorts: swanky, remote vacation spots. Supported NYC Westway project with brother David *(which see)*. Some resorts, management arm sold 1986 to CSX; not very active in business since. Gave $36 million to Memorial Sloan-Kettering, $10 million to Princeton; donated thousands of acres of land to national parks, preserves. His and his immediate family's portion Rockefeller fortune believed to exceed $900 million.



Average estimated net worth of the members of The Forbes Four Hundred is about $551 million.

Caroline Rose Hunt

Inheritance, oil. Dallas. 65. Twice divorced, 5 children. Second daughter of H.L. Hunt *(see other Hunts, Margaret Hill)*. Brothers' silver debacle prompted her and sister to separate holdings 1983. Sold one-third of oil properties 1985; diversified into real estate, stocks, venture capital. Built $250 million Dallas hotel/office/retail complex Crescent Court; bought superluxury hotels Dallas, Hawaii, Beverly Hills. Lives frugally except while visiting hotels: "For the first time, I have an excuse to live luxuriously." Managers including 4 sons and 1 daughter run her Rosewood Corp.; made $30 million in failed Phillips-Van Heusen bid 1987. Believed worth over $900 million.

Laurence Allan Tisch

Preston Robert Tisch

Brothers. Loews Corp. Bought Lakewood, N.J. resort with father 1946 after selling family summer camp; 12-hotel chain by 1955; next year built $17 million Fla. hotel without mortgage; gained control of Loews Theatres, Inc. 1959. Split from MGM, diversified into tobacco, insurance, hotels, Bulova watch; bought 25% CBS stock. Larry now runs broadcasting company with founder William Paley *(which see)*. Brothers known as investment/management wizards; CBS will be test. Larry: NYC and Rye, N.Y. 65. Married, 4 children. "Mr. Inside" behind-the-scenes financial and strategic genius. Graduated from NYU's school of commerce at age 18, master's at U. Penn., attended Harvard Law before hotel career. Eldest son Andrew runs Bulova. Business philosophy: "Profits will follow from quality." Bob: NYC and Harrison, N.Y. 62. Married; 2 sons, 1 daughter. "Mr. Outside" personnel, client-oriented. Vacated Postmaster General post Mar. 1, 1988, after negotiating union contract that eluded predecessors 12 years. "If people believe in who you are and what you're telling them, they will work with you." Hobnobs with both Democrats, Republicans. Brothers say they invented "power breakfasts" at their Regency Hotel, 1976. Active philanthropists. With their 25% Loews, real estate, other assets, jointly worth $1.7 billion.

80 members among The Forbes Four Hundred are unmarried.

Harry Weinberg

Real estate, securities. Honolulu and Baltimore. 80. Married, 1 son. Austrian immigrant; quit 6th grade, worked in father's repair shop. Bought run-down Baltimore buildings 1930s. Used profits to buy public bus companies (NYC, Dallas, etc.) 1950s, 1960s. Bought Hawaiian transit company, stayed. Sold out bus companies amid controversy. "Honolulu Harry" fancies aloha shirts, intimidation: successful raids Dillingham, Amfac, etc., 1960s. Today big holdings Alexander & Baldwin, Maui Land & Pineapple, real estate. Bone cancer said to be in remission; recently out of hospital after pneumonia. Fortune—less some in foundations—exceeds $850 million.

Doris Duke

Inheritance. Somerville, N.J.; Newport, R.I.; Honolulu, etc. 75. Twice divorced, no children. Father James Buchanan (Buck) Duke formed American Tobacco Co. from small tobacco crop overlooked by Yankees at ruined North Carolina farm in Civil War; also Duke Power Co. Left Doris so many millions known as "the richest girl in the world." Dogged by society, gossip reporters. Called spendthrift by press when built $1 million Shangri-La estate in Hawaii 1937; now valued at $30 million. Scholarly knowledge Oriental art; major force in Newport, R.I. restoration. Visible in N.Y., Newport society, no longer in press. Fortune, prudently invested, should be worth over $800 million.

Winthrop Paul Rockefeller

Inheritance. Winrock Farm, Ark. 40. Divorced, remarried; 3 children by first wife. Great-grandson of John D. Rockefeller, only child of Winthrop (d. 1973), who leveled top of Petit Jean Mountain for Winrock Farm; twice Republican governor. Win Paul product of brief, much-publicized union with Barbara (Bobo) Sears; European schooling, flunked Oxford. Runs Winrock, increasingly active Ark. business, esp. banking; owns small ventures (e.g., Florida yacht co.); active Little Rock social scene. Blue-marlin angler; hunts, skis; cruises with local sheriffs on duty, set up Law Enforcement Assistance Foundation. His share family fortune estimated over $800 million. *(See also other Rockefellers, family.)*

Michael Robert Milken

Finance. Encino, Calif. 42. Married, 3 children. CPA's son; H.S. cheerleader. Late-night studier at Berkeley, then Wharton; joined Drexel Burnham Lambert forerunner 1969. Conceived market for high-yield, high-risk "junk" bonds; at once investment banker, trader, investor ($57 billion bonds sold to date). Paved way for mid-1980s takeover mania, many high-profile clients. Workaholic (at desk 4 a.m.). Clients, co-workers get pieces of deals. Sept. SEC civil suit against Mike, Drexel, others, alleged criminal activity—insider trading, fraud, stock manipulation, etc.—put pressure on Justice Dept. to act. Milken: "I will be fully vindicated." Fortune estimated at $800 million.

Fred Trammell Crow

Real estate. Dallas. 74. Married, 6 children. Born Dallas, bookkeeper's s[illegible] studied accounting at SMU nig[illegible]l; later Ernst & Ernst gig; [illegible] Navy contracts WWII. While running family grain wholesaler, built, leased Dallas warehouse 1947; then "another and another and another." Trammell Crow Co. U.S.' largest developer, owns, manages over 250 million sq. ft. retail, commercial, residential space. Trammell keeps estimated 20%, gives partners, managers equity. Trammell: "Everything in life is a risk. If it's without risk, it's probably without profit." Owns piece of Wyndham hotels. Three kids with him in business. Worth at least $775 million.

Michel Fribourg

Grain trader. NYC. 75. Widowed, remarried; 5 children. Belgian family began trading grain 1813. Started Continental Grain U.S. 1921; Michel relocated to U.S. after France fell 1940. Army intelligence WWII. Took over after father's death 1944; widened to flour milling; poultry and pork production, processing; financial services et al. Controls 20% world grain trade, revenues over $13 billion (2nd to Cargill, *which see*). Surrounds self with talent: "many egos, but only one opinion." Still chairman, named Pres. Donald Staheli CEO early 1988. Son Paul group president. With 10% Overseas Shipholding, 90% Continental, net worth should be over $750 million.

115 members of The Forbes Four Hundred have been divorced.

Marc Rich

Pincus Green

Trading. Zug, Switzerland. Both 54, married. Rich: 3 daughters. Green: 2 sons, 2 daughters. Rich Belgium-born son of burlap bag maker, banker; family fled to U.S. 1941. Quit NYU for Philipp Brothers' mailroom. Teamed with Brooklynite "Pinky"; together climbed ranks, helped build Phibro (now part of Salomon Inc.) into world's largest commodities trader. Pioneered spot oil market 1968. Quit in huff 1973. Formed Marc Rich & Co.; p[illegible]d Phibro execs and business. [illegible]ow perhaps 2nd-largest trader (over $13 billion in volume). Rich, strategist; nervy speculator, known as El Matador for manipulating bull markets (early 1980s conspiracy with Malaysians led to tin market crash). Pinky, administrator, shipping expert; dubbed the Admiral. Traded Iranian crude during 1970s hostage crisis; dodged $48 million tax. Rich bought 20th Century Fox with Marvin Davis *(which see)*, later sold. Pair fled U.S. 1983 ahead of 65-count indictment (tax evasion, fraud). Company paid $150 million settlement 1984, $21 million in fines. Both still on lam. U.S. offering up to $500,000 for information leading to capture; face terms totaling 325 years. Rich took Spanish citizenship, Green Bolivian. State Dept.: They're Americans. Rich: "I'm a modest, quiet person who has never done anything illegal." Lately scheming to corner aluminum market; already said to control third of aluminum not held by big producers, 100% of Jamaica's raw alumina. Top trader tripped last October: sold aluminum short on London Metal Exchange, reportedly lost $25 million when prices took off. Still jointly worth at least $1.5 billion.

Norton Winfred Simon

Industrialist, art collector. LA area. 81. Divorced, remarried; 2 sons (1 deceased). Raised in Portland, Ore. as "mossback" conservative. As youth bought bags, towels, tissues from manufacturers to sell to local merchants. Dropped out of Berkeley after 6 weeks, bought, turned around bankrupt orange juice plant 1931. Gained control Hunt Foods 1943. Built conglomerate Norton Simon, Inc. (Hunt-Wesson, Simon & Schuster, etc.). Quit 1969, devoted wealth to art collecting. Plan to donate collection to UCLA has been dropped. Collection alone is valued at $750 million. "Acquisitiveness is a disease which you can get in money or business or politics or art."

Milton Jack Petrie

Petrie Stores. NYC and Southampton, N.Y. 85. Twice divorced, widowed, remarried; 1 son, 2 daughters. Russian immigrant's son opened Cleveland hosiery store with $5,000 in 1929. Bankrupt 1937; creditors repaid in full. Expanded through acquisition, now 1,600 stores including Rave, M.J. Carroll. Moderately priced, simple women's clothes. Stock slid 57% 1988. Slow to respond to competition. Tough boss; grandson Matthew Miller resigned 1988 after 2 years. Philanthropy exceeds $100 million, including aid to slashed model, fatherless quintuplets. His 60% Petrie Stores, other investments worth at least $750 million; may take private again.

William Randolph Hearst Jr.

Randolph Apperson Hearst

George Randolph Hearst Jr.

Phoebe Hearst Cooke

Millicent V. Baoudjakdji

David Whitmire Hearst Jr.

Inheritance. Children, grandchildren of William Randolph Hearst (d. 1951), whose father George Hearst (prospector, land baron, later U.S. senator) took failing *San Francisco Examiner* from gambling debtor 1880. Only child, Harvard-expelled "Billie Buster" took over 1887, became country's most flamboyant, controversial media tycoon: outsensationalized former employer Pulitzer *(see families)* in great NYC press wars; built nation's onetime-largest newspaper chain. Model for *Citizen Kane;* built $30 million temple of excess, San Simeon, now owned by state of Calif. Hearst Corp. (over $2 billion sales) now 14 dailies, 38 publications *(Cosmopolitan, Popular Mechanics, Town & Country),* 6 TV stations, 7 radio stations, cable, book publishing, real estate, timber, etc. Recent acquisitions: *Houston Chronicle, Esquire.* Family in 5 branches: 1) Surviving son William Jr.: NYC. 80. Twice divorced, remarried; 2 children. Editor-in-chief Hearst Newspapers since 1955; Pulitzer-winning columnist 1956. Son WRH III, spitting image of WRH, *Examiner* publisher. 2) Surviving son Randolph: NYC. 72. Twice divorced, remarried; 5 daughters (incl. Patty). Hearst Corp. chairman. 3) Grandson George Jr.: Los Angeles. 61. Widowed, divorced; 4 children. His sister Phoebe: San Francisco. 61. Divorced, remarried; 1 daughter. Played major role 1974 buyback of company from Hearst Foundation by family trust. 4) Grandson David Jr.: Los Angeles. 44. Single. His sister Millicent: Los Angeles. 49. Married, 3 children. 5) Four children of eldest son John Randolph Hearst (d. 1958). John Jr., 54, only one active in co. Hearst Corp. now estimated worth at least $3.75 billion with 20% for each branch.

Paul Mellon

Inheritance. Upperville, Va. 81. Widowed, remarried; 2 children by first wife *(see Timothy Mellon, Catherine Conover).* Grandfather Thomas started Mellon Bank forerunners, venture capitalist in Gulf Oil, Alcoa, Koppers, etc. Father, Andrew: U.S. Treasury Secretary 1921-32, founder National Gallery; d. 1937. Paul floated into, out of family businesses. Avid horseman breeds Thoroughbreds on 4,000-acre estate, collects art on grand scale. After donations ($31 million for building, perhaps $100 million in art to National Gallery; $18 million for building, perhaps $100 million in art to Yale, etc.), October crash, net worth still estimated over $750 million.

Edward Perry Bass

Oil, investments. Fort Worth. 43. Single. Second son of Perry Richardson Bass, nephew/heir of wildcatter Sid Richardson. Perry built up holdings, turned over to four sons *(see other Basses).* "Black sheep" Edward's contribution to family's downtown Fort Worth development: avant-garde nightclub Caravan of Dreams. Spending $30 million on enclosed ecosystem in Arizona with goal to one day inhabit Mars: Reportedly funded "cult" of "intellectual elitists" planning new "planetary civilization." Passive investor in family deals: "A lot of things I just have to read about in the paper." With family-held oil, etc., worth some $750 million.

The average age of The Forbes Four Hundred is 64.

Helen Kinney Copley

Publishing. La Jolla, Calif. 65. Divorced, widowed; son by first marriage. Worked 12 years as secretary to James Copley, adopted son of *San Diego Union/Tribune* publisher Colonel Ira Copley (d. 1947). Romance kindled: "I'll never know what he saw in me; I was so pathetically shy." Married 1965; gracious hostess until James' death 1973, then made herself publisher. Sold unprofitable papers, slashed payroll, beefed up editorial, also expanded. Copley Newspapers now 13 dailies, 33 weeklies, 1 biweekly, cable. Son David, 36, president, probable successor. James' 2 children from first marriage retain stake. "This is such a strange family; no one's really related." Helen's 90% worth $750 million.

Joan Beverly Kroc

Inheritance. La Jolla, Calif. 60. Divorced, widowed; 1 daughter by first marriage. Third wife of Raymond Kroc (d. 1984), plastic-cup salesman who built McDonald's Corp. First marriage at age 17. Met Ray in St. Paul restaurant 1956, married 13 years later; 26 years his junior. Today Joan B. Kroc Foundation gives away millions annually: "I have been blessed with the means to put my convictions to work." Gave $6 million to Notre Dame Peace Institute 1986; nuclear freeze advocate. "She is taking positions Ray Kroc would never support." Travels, spends time with 4 granddaughters. Her McDonald's shares, baseball Padres, other assets worth over $745 million.

Ewing Marion Kauffman

Marion Laboratories. Mission Hills, Kans. 72. Married, 3 children. Started as drug salesman 1946, commissions soon exceeded president's salary. Developed first calcium pill from crushed oyster shells, launched Marion 1950; fiscal 1988 sales $750 million. Bulk of revenues from aggressive marketing of other pharmaceutical companies' discoveries; Cardizem, heart drug, brought in 58% sales. "I want to give to people. I don't want any buildings named after me." Kauffman Foundation committed 1988 to funding entire high school class' college education if students avoid drugs, alcohol, parenthood. Owns 50% Kansas City (baseball) Royals. Net worth about $740 million.

Orville Wayne Rollins

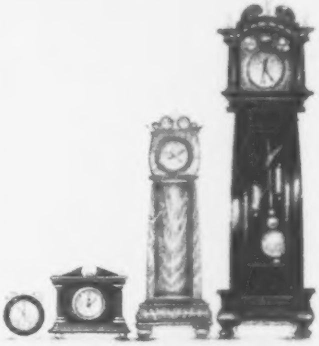
Rollins, Inc. Atlanta. 76. Married, 2 sons (Gary, pres.; Randall, senior vice chairman). Farm boy, one-room school, made $10 a week in textile mill. With brother John started auto dealerships; bottled water; radio ventures. Formed Rollins 1948. Picked up Orkin Exterminating 1964 (94% of Rollins, Inc. profits 1987) for $62 million, no cash. Added media, oil & gas services, security systems. Took public 1963; split into three public companies 1984; sold Rollins Communications shares 1986 for $270 million. Still CEO Rollins: "The most difficult thing for me to do is turn over the running of my company." Made $70 million on Intermedics stake; Fla., Ga. ranchland. Worth at least $740 million.

Samuel Curtis Johnson

S.C. Johnson & Son. Racine, Wis. 60. Married, 4 children. Great-grandson of parquet flooring salesman who founded wax co. 1886. Glo-Coat floor wax beat Depression; 1987 estimated sales over $2 billion. Sam joined 1954, chrmn. 1967. Added nonwax items (Raid, Glade); personal care (Edge, Agree); joint venture interest Check-Up toothpaste line 1987. Took Johnson Worldwide Assocs. public late 1987 (sales, $194 million; recreational accessories, canoes, etc.). At 59 got license to pilot jets. All children with firm: Curt, 33, runs $90 million Wind Point Partners venture capital fund; also Helen, 31; Fisk, 30; Winifred, 29. Sam's 60%, etc. worth over $710 million.

Jack Rudin
Lewis Rudin

Brothers. Real estate. NYC. Jack: 64. Widowed, 3 children. Lew: 61. Twice divorced, 2 children. Rudin Management founded 1924 by father Samuel, his brothers, to manage Bronx, Manhattan apartments. Jack and Lew joined 1946; added midtown office space (incl. NY Merchandise Mart). Inbred philosophy: never sell. Rudin Management now owns over 4,000 apts., 8 million sq. ft. prime Manhattan office space; much built 1950s-60s. Led tax prepayment drive to keep NYC afloat late 1970s: "We had to do something. We couldn't very well pick up our buildings and move them across the George Washington Bridge." Lew founded, chairs Association for a Better New York; Jack heads NYC Marathon committee. Both press shy; together, worth minimum $1.4 billion.



Among
The Forbes Four Hundred,
8 are in their 30s
46 are in their 40s
88 are in their 50s
134 are in their 60s
78 are in their 70s
42 are in their 80s
4 are in their 90s

Carl Ray Pohlad

Banking, investments. Minneapolis. 73. Married, 3 sons in business. Son of Iowa RR brakeman, left college to sell cars. Took over Minneapolis bank holding co. after brother-in-law CEO died 1955. Bought, rejuvenated dozens of upper Midwest banks; turned failing bus co. into MEI Corp., third-largest Pepsi bottler, sold for $160 million profit 1985. "We do things in a small way and watch them grow." Corporate raiding partner of Irwin Jacobs *(which see)*; owns Minnesota (baseball) Twins, 25% (football) Vikings. Pumped $200 million into $675 million bailout of 2 Texas thrifts: "I've got a great deal of confidence in Texas." Banks, real estate, etc. worth at least $670 million.

Louis Larrick Ward

Russell Stover Candies, Inc. Kansas City, Mo. 68. Married, 3 children. After Stanford, WWII in Navy, bought small paper box company 1950; supplied Stover candies. Saw potential in Russ and Clara Stover's homemade confections; bought "bungalow" company 1960, $7.5 million, went public same year. Took private 1981; now nation's largest boxed-candy producer. "Bottom-line businessman" insists on top-quality ingredients; co. now worth near $600 million. Plays cowboy "once in a while" on two Montana ranches; 2 sons "doing better in the business than I am." He's doing fine: worth at least $650 million. "I think candy has proved to be a recession-proof industry."

Oveta Culp Hobby

Media. Houston. 83. Widowed, 2 children. Daughter of state rep.; appointed Texas House of Rep. parliamentarian age 20; 4 years later married former governor, *Houston Post* publisher William Hobby (d. 1964); ran for state legislature age 25, lost; HEW Secretary under Eisenhower. Self-described liberal Republican. Children carry on tradition of public service: William Jr. Texas lieutenant governor; daughter Jessica Catto published *Washington Journalism Review*. H&C Communications; now 1 radio, 6 TV stations; sold *Post* 1983, donated *Review* to U. Maryland. Soft Texas TV market drops TV stations' value; estimated fortune now some $650 million.

Curtis Leroy Carlson

Entrepreneur. Minneapolis. 74. Married, 2 daughters. Father Swedish immigrant grocer; Curt worked in store after school. After U. of Minn. (1937) sold soap for Procter & Gamble, $85/week. With $50 loan, started Gold Bond Trading Stamp Co. 1938. Built one-man conglomerate with $4.1 billion revenues (hit 50th anniversary 1988): TGI Friday's restaurants (owns 78%), Radisson hotels (42,000 rooms, many franchised), Ask Mr. Foster travel agencies, etc. High-pressure: exec. offices called Ulcer

Alley. Hobbies: "I enjoyed playing golf but I gave it up. It was more exciting for me to be here working on deals." Gave $25 million to U. of Minn. 1986; considering retirement. Worth at least $650 million.

William Clay Ford

Josephine Clay Ford

Brother and sister. Surviving grandchildren of Henry Ford (d. 1947; *see Ford family*). Family-held Class B stock still controls 40% of company. William: 63. Grosse Pointe Shores, Mich. Married to heiress Martha Firestone, 4 children. Athletic youth; Ford director while Yale undergrad. Bought Detroit Lions 1961 for $6 million: enthusiastic owner, mediocre team. Popular with family, thought shoo-in for chairman's seat on Henry II's retirement 1980 but passed by. Son William Clay Jr., 30, on board. With Ford stock, Lions, real estate fortune, worth at least $630 million. "What William Clay Ford would like to say to all those ambitious Young Turks who dream of making that FORBES list is that being rich could screw up their lives." Josephine (Dotie): 65. Grosse Pointe Farms, Mich. Married into unrelated Ford family, 4 children. Son Alfie joined Hare Krishna; took name of Hindu king who gave up wealth to serve Krishna. Her stock, other assets, worth at least $340 million.

Roger Milliken

Gerrish Hill Milliken

Brothers. Textiles, investments. Heirs of Seth Milliken, who cofounded dry goods jobber Deering, Milliken & Co. 1865 with William Deering (who left to found International Harvester). Seth financed fledgling southern mills, took over when Depression ravaged them. Roger now chairman Milliken Mills, world's largest private textile firm; even sales a closely guarded secret (estimated over $2 billion). Gerrish: "We're very averse to anyone knowing." Roger closed one mill 1956 after vote to unionize; Supreme Court overruled, workers settled for $5 million. Led anti-import "Crafted with Pride" p.r. blitz 1985: "We are sacrificing our industrial base on the altar of free trade, a god no other nation worships." Also 40% Mercantile Stores. Roger: Spartanburg, S.C. 72. Married, 5 children. Yale-educated; survived helicopter crash 1984; hard-driving: "It's always been work, work, work." Brother Gerrish: Greenwich, Conn. 71. Married; 4 sons, 2 daughters. After Army, took starting job in cotton mill in Union, S.C.; retired 1986 but keeps NYC office. Roger worth at least $630 million; Gerrish $430 million.

Alex Manoogian

Richard Alexander Manoogian

Father and son. Masco Corp. Grosse Pointe Farms, Mich. Alex: 87. Married, 2 children. Began small screw-manufacturing company after emigrating from Armenia 1929. Went public 1936; added plumbing supplies. Passionate tinkerer: One-handled Delta faucet invention, 1954, made Masco's fortune. Retired, chairman emeritus. Active in promoting Armenian causes; donated former Detroit residence for mayoral mansion 1965. Alex' shares in Masco Corp., other assets worth over $262 million. Richard: 52. Married, 3 children. Studied economics at Yale; led diversification into other metalworking fields. "Nothing we develop is the stuff dreams are made of—they just make money." Acquired about 100 companies starting in early 1960s. Spun off Masco Industries (commercial products) from Masco Corp. (consumer products) 1984. Now chairman, CEO of both. Respected art collector; over 1,800 paintings, most 19th-century American. Enjoys boating; Masco holdings, art and other assets valued at over $625 million.

Katharine Graham

Washington Post Co. Washington, D.C. 71. Widowed, 4 children. Father Eugene Meyer bought bankrupt *Post* after building Allied Corp. forerunner. Kay, husband Philip took over 1946. Restored *Post* profitability, expanded, bought *Newsweek* 1961. Since Philip's death 1963, ex-housewife proved canny chief: Watergate scoop 1972, violent strike settled 1975. Son Donald, 43, *Post* publisher from 1979; daughter Lally Weymouth *Post* writer. Also 4 TV stations, expanding cable. Total revenues: $1.3 billion. Voting rights recently altered to tighten family hold. Kay, with son, other family, has stock and assets worth over $600 million.

Jeremy Maurice Jacobs

Sports concessions. East Aurora, N.Y. 48. Married, 6 children. Bros. Marvin, Louis, Charles ran early sports concessionaire; "Angel of Baseball" bailed out pro baseball clubs 1920s-30s, won long-term concession contracts (Detroit, Milwaukee, Chicago, etc.). Jerry (Lou's son) took over 1968, diversified; Delaware North Cos. now $1.5 billion (sales) private sports behemoth: $420-million-a-year parimutuel (dog and horse tracks), $300-million-a-year concessionaire; parking, sports publishing, etc. "We're avaricious as hell." Owns Boston Bruins hockey club, famed Boston Garden. Jerry bought out two brothers; fat-margined businesses worth at least $600 million.

65 members of The Forbes Four Hundred have fortunes derived principally from financial operations. (In 1987, 69.)

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Thomas John Flatley

Real estate. Milton, Mass. 57. Married, 5 children. Irish immigrant, landed in Baltimore 1950 with $32 in pocket. Built first apartment project, 4-family-unit building, Boston 1959; amassed 5,500 units Boston area, N.H., R.I. Began building commercial property, got caught in mid-1970s real estate bust, stayed liquid doing workouts for banks. Now has 4 million sq. ft. offices, 2.5 million sq. ft. malls, 3,400-room Tara hotel chain, nursing homes, TV stations; New England's biggest developer. Few partners, modest leverage. Not incorporated, just files personal tax return. Lives on less than $100,000/year. Worth at least $600 million. "It's not my intention to rule the world."

Charles Henry Dyson

Conglomerator. NYC. 79. Married; 4 children, 1 son in business. Price Waterhouse CPA, left for Defense Dept. 1941; represented Treasury Dept. at Bretton Woods 1944. Textron VP postwar; wanted diversification, found Textron too slow. Left to form Dyson-Kissner (now also Moran) 1949, built DKM conglomerate with mundane but profitable private cos. (nearly $1 billion sales), real estate, large public holdings (Esterline, Neoax, Varlen). "We're always into something new." LBO firms making it tough to find values: "We're in there fighting, it's a lot of fun." His 91% DKM worth fun $600-million-plus.

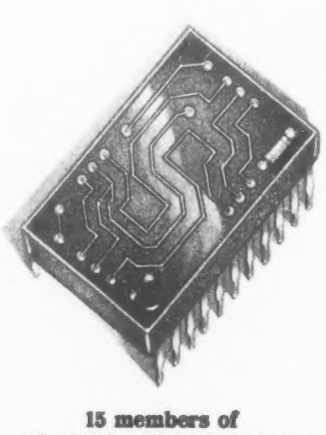
William Ingraham Koch

Frederick Robinson Koch

Brothers. Oil services. Two of four sons of Fred Koch (d. 1967), cofounder Koch Industries (now $13 billion private oil giant). Nasty 3-year battle for co. control with brothers Charles, David *(see both)* ripped Koch early 1980s. Bill claimed paltry dividends, poverty: "I'm one of the wealthiest men in America, and I had to borrow money to buy a house." Fred joined Bill's takeover bid; $1.5 billion buyout of Bill, Fred, others' 48% Koch settled spat 1983. Bill (David's twin): Boston. 48. Married, 1 child. Founded Oxbow Corp. ($2 billion energy trader) with half buyout money; operates Nev. geothermal electric plant; markets, trades coal, etc. "We're just a bunch of eastern farm boys trying to scratch out a living." Bill scratches with at least $600 million. Fred: Monaco, NYC. 55. Single. Chose Harvard, then Yale Drama over MIT; not Dad's favorite: "Fred thought Freddy just indulged his pleasures in art and music." Now reclusive art collector, restorer. Worth at least $450 million.

Robert Henry Dedman

Country clubs. Dallas. 62. Married; 1 son in business, 1 daughter. Born poor in Arkansas. After Navy got business, engineering and 2 law degrees; was lawyer for H.L. Hunt. Opened first country club, Dallas 1957, as sideline, got hooked. Moved into city clubs 1965. ClubCorp International now 225 clubs with everything from rack of lamb to racquetball. Huge cash flow from dues. Bought Pinehurst, N.C. resort 1984; resorts division plans $100 million expansion. "Things are so bad in Texas, I figured you'd take me off this year." Unlikely, with net worth in real estate, etc. estimated at least $600 million. Plans to give one-third away while alive: "They don't put luggage racks on hearses."



15 members of The Forbes Four Hundred have fortunes derived principally from high technology. (In 1987, 16.)

Jerry J. Moore

Shopping centers. Houston. 60. Married, 3 children. Born to poor Polish Jewish immigrants; ghetto-born Jerry high school dropout. Started plumbing business age 18; 12-year gig selling vacuum cleaners. With savings, built low-cost Houston housing; bought first strip center 1966. His Jerry J. Moore Investments now controls 152 centers, 19 million sq. ft. of mall space; 80% in struggling Houston. "We were pickin' the men from the boys. Now we're pickin' the men from the men down here." Tends 428-car collection; bought Greta Garbo's Duesenberg for $1.4 million 1987. "My IQ is about 20 points above genius. That's halfway to being insane." Worth well over $600 million.

Henry Earl Singleton

Teledyne, Inc. Los Angeles. 71. Married, 5 children. Son of Texas rancher, set his sights early on big business. Annapolis and MIT, then Hughes Aircraft and Litton Industries. At Litton met George Kozmetsky, with whom started Teledyne 1960s; financed by Arthur Rock. Now over 100 companies in aviation, electronics, more. Major spinoffs: Argonaut Group (insurance), American Ecology. More expected. Architect of large-scale divestiture and stock buybacks. Known Teledyne and other stock holdings worth at least $590 million. "I think the most important thing facing the company will be the development of the executive staff" for succession.

Jane Bancroft Cook

Inheritance (Dow Jones & Co.). Cohasset, Mass. and Sarasota, Fla. 76. Thrice widowed, once divorced. Only living grandchild of Clarence Barron, builder of Dow Jones empire (*Wall Street Journal,* Dow Jones ticker, 1902; *Barron's,* 1921), d. 1928. Jane shy and reserved. Dow Jones director 1950-85. Once avid sailor and rider; played summer stock opposite Humphrey Bogart. Major benefactress Boston-area hospitals and schools. "She doesn't call attention to herself in any way. You would never know that she was one of the richest people in the country." Daughter Martha S. Robes now a director. *(See also Bancroft family, William Cox Jr.)* Post-crash, Jane's one-third of family stockholdings, etc. worth some $590 million.

73 members of The Forbes Four Hundred have fortunes derived principally from media enterprises. (In 1987, 75.)

Joe Lewis Allbritton

Broadcasting, banking. Houston; Washington, D.C. 63. Married, 1 son. Born in D'Lo ("Damn Low") Mississippi, son of Houston cafe owner; practiced law in Houston. Made first million by age 30 after co-founding Texas S&L. Bought now-folded *Washington Star,* but kept D.C. television station, WJLA (renamed with Allbritton's initials), now worth $325 million. Began acquiring Riggs National Bank stock 1979: "We begin with a bank with a superb reputation, great historical roots and a very clean set of books." Allbritton Communications now has 5 television stations, 1 newspaper. Net worth, also including Houston bank, insurance, should be at least $590 million.

Donald Joyce Hall

Barbara Hall Marshall

Elizabeth Ann Hall Reid

Brother and sisters. Hallmark Cards. Kansas City, Mo. Children of Joyce Hall (d. 1982), son of midwestern preacher, began selling postcards 1906 at 15; then greeting cards. Friend Norman Rockwell illustrated Christmas cards. Hallmark longtime leader in industry, sales over $2 billion; in over 100 countries, 20 languages; also Crayola Crayons; 12 Spanish-language TV stations. Joyce left much of fortune to charity, including proceeds from sale of stock to employee stock plan. Independent estate now threatened by IRS claim. Children: "Just plain Midwest folk who happen to be the progeny of a genius." Donald: Mission Hills, Kans., 60. Married, 3 children. His share of private co. worth $560 million. Barbara: Kansas City. 65. Widowed, 2 children. Design critic, has stock worth $285 million. Elizabeth: Denton, Tex., 66. Married, 1 child. Her stock worth $285 million.

Daniel Keith Ludwig

Shipping, real estate. NYC. 91. Divorced, remarried; 1 daughter by first marriage, 2 stepchildren. Son of Mich. real estate agent. Quit school, borrowed $5,000 at 19 to convert old steamer. With charter from oil companies as collateral, built world's 3rd-largest tanker fleet. Widely diversified: S&Ls, real estate, mines, oil & gas. Sank over $1 billion in Brazilian woodpulp empire; lost 8-year fight with Amazon jungle, Brazilian govt. Foreign assets owned by Zurich cancer institute. Once told employee: "Workin' on a deal is better than a climax." Has sold off some of empire; still has NYC, N.J. real estate, shipping. Believed worth over $550 million.

Luigino Francesco Paulucci

Food processing, real estate. Sanford, Fla.; Duluth, Minn. 70. Married, 3 children. "Jeno" quit junior college, sold fruit to support family. Borrowed $2,500, turned bean sprout crop into Chun King canned Chinese food 1944; sold to R.J. Reynolds for $63 million 1966. Founded, turned Jeno's Pizza over to kids 1967; sold to Pillsbury 1985, $147 million. Strengths: marketing, cost management, work philosophy—"Run, don't walk." Developing ultramodern, 3,000-acre planned community near Orlando, plus 5,000 prime acres. Shut down Fla. startups Pizza Kwik, China Kwik 1988; string-puller for Duluth's down-and-out. Net worth, with family, exceeds $550 million.

30 members of The Forbes Four Hundred have fortunes derived principally from oil & gas. (In 1967, 29.)

Robert Lee Moody

American National Insurance. Galveston, Tex. 53. Divorced, remarried; 4 children, 4 stepchildren. Great-grandfather William Lewis Moody came from Va. 1860s, launched cotton, banking businesses. Grandfather William Jr. founded ANI 1903; added newspapers, hotel chains, ranchland to virtual insurance monopoly. Died 1954, split assets between family trust, charitable foundation; family infighting ensued. Robert bought foundation's 51% Moody National Bank shares 1979; through it controls family trust's 35% ANI, etc. Brother Shearn awaiting sentencing for defrauding family trust. Robert's estimated worth $550 million.

Alexander Gus Spanos

Real estate. Stockton, Calif. 65. Married, 4 children. Left father's bakery 1956 to sell sandwiches to migrant farm workers. Built first apartment complex 1960. A.G. Spanos Construction (revenues $345 million) went on to build 60,000 apts. across Sunbelt. Logs 6,000 miles weekly on private jets; 2 sons, 2 sons-in-law in business. Famous for dance routine with golf buddy Bob Hope, performed at benefits. Owns 1,600 prize Stockton acres, recently rezoned for development; 62% San Diego (football) Chargers. Joined raider Paul Bilzerian, Ed DeBartolo *(which see)* took over Singer 1988. "I love the acquisition business." Net worth believed to exceed $550 million.

Frank Batten

Media. Virginia Beach, Va. 61. Married, 3 children. Uncle Samuel Slover arrived Va. 1900, was offered interest in ailing Va. paper if he halted red ink; did so in one year. Raised by uncle, Harvard M.B.A. Frank became publisher 1954. From one paper (flagship now Norfolk *Virginia-Pilot/Ledger-Star)*, aggressively built Landmark Communications: first cable franchise 1963 (now 533,000 subscribers), 10 dailies, 29 weeklies, 2 TV, 2 radio stations. Frank: "It was no big deal." Started Weather Channel with meteorologist John Coleman 1982; bought Coleman out, now very profitable. Bought distant family shares 1986. Frank's 38% worth over $550 million.

Charles Francis Dolan

Cable television. Oyster Bay, N.Y. 62. Married, 6 children. Raised in Cleveland, earned $2/week writing Boy Scout column for local paper.

Came to New York 1952, made industrial films. Saw cable TV's growth potential, began wiring NYC hotels 1960; won Manhattan franchise 1965. Realized need for exclusive programming, created Home Box Office; sold to Time Inc. 1973. Critics say sold too soon; undaunted, built up Cablevision Systems, now nearly 1 million subscribers; also SportsChannel, American Movie Classics. "The industry pays a lot of homage to him." Avid sailor, tennis buff, "Dennis-the-Menace looks." His 66% Cablevision, other interests worth $550 million.

Melvin Simon

Herbert Simon

Shopping Centers. Indianapolis, NYC, Beverly Hills. Mel: 61. Herb: 53. Both divorced, remarried; 5 children each. Brooklyn-born sons of Manhattan tailor; both attended City College of New York. Mel sold encyclopedias in Indianapolis to supplement Army pay; later took $100/week job leasing retail space. Herb joined him, formed Melvin Simon & Associates to build shopping centers 1960; "Marx Brothers" of malls now nation's second-largest mall developer with 56 million sq. ft., another 13 million managed. Building massive Newport project in N.J. with Sam LeFrak *(which see)*; Mel: "The chance to build a city is not often available in the 20th century." Also developing NYC Gimbel's site with Larry Silverstein *(which see)*. Mel turned Hollywood movie mogul 1970s; produced *Love at First Bite, Porky's.* "No more scripts. Please don't send me any more scripts." Rescued ailing Indiana (basketball) Pacers 1983: "It was a gift to the town." Mel has ⅔, Herb ⅓ of fortune worth at least $800 million. "It would be hard to find two sweeter guys on the face of the earth."

Paul Gardner Allen

Microsoft. Bellevue, Wash. 35. Single. Attended Seattle prep school with boyhood friend William Gates *(which see)*. First joint venture: microcomputer to determine traffic patterns. Cofounded Microsoft 1974; Now nation's largest computer software seller. Left 1983, beat Hodgkin's disease with radiation therapy; founded software startup Asymetrix Corp. 1985. "I felt like having my own operation." Hoops nut: Bought pro basketball's Portland Trail Blazers for estimated $70 million 1988; keeps in shape with own backyard court. Sails 25-foot cruiser, plays guitar. Stock, etc. worth at least $540 million.

13 members of The Forbes Four Hundred are Texas oilmen.

Robert Edward (Ted) Turner III

Turner Broadcasting System. Roswell, Ga. 49. Divorced once (2 children); separated (3 more children). Saved late father's billboard company; started superstation WTBS Atlanta 1976, cable news channel CNN 1980. Pursued CBS; failed, bought $1.4 billion MGM film library 1986. Trimming debt; accepted investment by major cable operators 1987, sold $150 million preferred CNN stock 1988 (now has 66% voting control). Launched movie channel TNT Oct. Sold 3.5 million shares for ongoing divorce settlement 1988. Settled charges for bringing nonnative wildlife onto Florida estate with donation to animal groups. Walls closing in? TBS stock worth $535 million.

Edward Crosby Johnson III

Money management. Boston. 58. Married, 3 children. Father, Brahmin lawyer Edward II, bought ailing Fidelity Management 1946, built into major mutual fund manager. "The market is like a beautiful woman, always fascinating, always mystifying." Son "Ned" CEO 1972; assets $4 billion. Where father was excellent stock picker, son is master marketer: direct mail, 24-hour phone line; clever creator new funds. Positioned perfectly for bull market 1980s. Now manages $75 billion in 170 funds, including $8.8 billion flagship Magellan Fund. Entrepreneurial: started limousine, head-hunting, computer businesses. His direct 47% Fidelity, investments worth over $530 million.

Robert Staples Howard

Publishing. Rancho Santa Fe, Calif. 64. Married, 4 children. U. of Minnesota dropout. After WWII service inherited hometown (Wheaton, Minn.) newspaper: "I swept the floors, melted lead, sold ads, wrote stories . . . you name it." Founded Howard Publications 1961; gradually built into 19 dailies, over 450,000 subscribers. Unassuming (Hammond Indiana *Times* is flagship) but profitable chain appreciating greatly in acquisitive newspaper climate. Sold Buffalo TV station to King World for $100 million 1988. Also, late entry into cable with Don Reynolds *(which see)*, now 140,000 subscribers. Fortune estimated $530 million.

Richard Mellon Scaife

Inheritance, publishing. Shadyside, Pa. (Pittsburgh). 56. Separated, 2 children. Great-grandson of Judge Thomas Mellon. Under Scaife Newspapers, runs several smallish papers (after selling 2 to Thomson Group 1985), which promulgate his conservative ideology. Dislikes publicity, refuses to use middle name (thought father Alan Scaife treated shabbily by Mellons). Still most prominent Mellon of his generation. Long estranged from sister Cordelia Scaife May *(which see)*. Generous contributor to right-wing leaders, think tanks. Vigorously denies estimate, but worth believed to exceed $525 million.

Charles Cassius Gates

Gates Corp. Denver. 67. Married, 2 children. Father went West to prospect for gold 1904; settled in Denver, bought tire-cover business 1910. Persuaded brother to join co. after near failure 1911. Expanded into rubber tires, hoses; invented V-belt 1917. Son Charles born in back of family car en route to hospital, inherited co. with 4 sisters 1961. Dumped tire works 1974; not so successful diversification into ranching, egg farms, trucking, real estate, etc. Bailed out failing Learjet Industries 1967, sold for $63 million 1987. Major subsidiaries: rubber, energy products, auto interiors. Controls firm, real estate worth over $500 million.

John Murdoch Harbert III

Construction, investments. Birmingham, Ala. 66. Married, 3 children. Lucky streak shooting craps on ship home from WWII, won $6,000 grubstake; tried taxidermy, then bought concrete mixer, tools. Went broke 3 times first 20 years: "Our statements were not worth the paper they were typed on." Got local bridge contract; then highways, pipelines, buildings. Today Harbert Corp. revenues estimated over $500 million. Minor partner with T. Boone Pickens in failed 1986 Diamond Shamrock takeover. Directorships on Enron, etc. With 75% Harbert Corp., $380 million in Amoco stock, other assets, worth $500 million.

16 members of The Forbes Four Hundred have fortunes derived principally from agriculture. (In 1987, 16.)

Wallace Henry Coulter

Blood. Hialeah, Fla. 71. Single. Born Ark., dropped out Georgia Tech 1932. With cellophane, rubber bands, sewing needle developed "Coulter Principle," 1949, in Chicago basement: electronic method of counting microscopic particles. Produced Coulter Counter, blood cell counting machine, 1953. Coulter Electronics now holds over 350 U.S. patents; intensely private, estimated sales $500 million, "leadership position worldwide" in automated blood cell counters (85% of U.S. hospitals), other health care instruments. Wally hands-on chairman, received John Scott Award 1960 (past winners: Marie Curie, Jonas Salk); brother Joe president. High-margin, dominant company worth at least $500 million.

Daniel Mauck Galbreath

Real estate. Columbus, Ohio. 60. Separated, 3 children. Father John W. from Ohio farm; joined college frat buddy in real estate venture 1920; during Depression bought out foreclosed properties, resold to owners in better times. Invented "package deals": take tenant, builder, blueprints to bank for financing. Built then-largest privately financed condo project in Hong Kong 1966; grossed $400 million when sold out 1980. John died July 1988. Dan president since 1980 Galbreath-Ruffin, J.W. Galbreath & Co.: manages over 31 million sq. ft. office space (equity in some 8 million sq. ft.). Big Manhattan project: Saks Tower; also projects 15 U.S. cities. Owns Darby Dan stables. Net worth estimated $500 million.

William Walter Caruth Jr.

Inheritance. Dallas and Crystal River, Fla. 76. Married, 4 children. Grandfather William came to N. Texas 1848; with brother, $1,000 seed money, started general store. With profits, bought land at $5, $10 an acre; by early 1900s Dallas County's largest landowner (some 30,000 acres). Three generations, three phases: "Grandfather acquired the land, father held, and I harvested." Most now liquidated; some small projects with Trammell Crow *(which see)*: "Trammell and I have had a lot of fun together." Also Fla. ranches, hotel; huge stock, bond portfolio. "I don't owe anybody a dime, except for the phone bill." Phone co. safe: trusts worth at least $500 million.

21 members of The Forbes Four Hundred have fortunes derived principally from retailing. (In 1987, 18.)

Howard Kaskel

Real estate. NYC. 51. Married, 6 children. Father Alfred (d. 1968) built Doral Hotel & Country Club Miami 1960; bought 4 rundown NYC hotels early 1960s. Now 8-hotel, 3,000-room, glitzy Doral chain, named for Howard's parents, Doris and Alfred. Howard also heads Carol Management Co.: apts. in NYC's Queens, Manhattan, Park Avenue office building, etc. Paid $60 million for Westchester county, N.Y. hotel/convention center 1987; refurbishing NYC hotels. Took on Wall St. 1987, lost: takeover bid failed, sold his 11% Kansas City Southern 1988 for no gain. Colleague: "He doesn't have the personality of a raider." Hotels, etc. worth at least $500 million.

Peter Stephen Kalikow

Real estate, NYC. 45. Married, 2 children. Grandfather Joe built apts. Queens, Brooklyn, Bronx 1920s-30s; father Harold split from brothers 1968 to form H.J. Kalikow & Co. Peter took over 1973, built Manhattan apts.; now owns 6,000 apts., office space. Built risky 101 Park Ave. office tower 1982 for $160 million; worth over $400 million today. Also owns 195 Broadway; planning 500,000-sq.-ft. tower behind it. No partners: "I've had only one partner in my life and that was my father." With $24 million in union concessions, paid $37.5 million for money-losing *New York Post* 1988. "The more people tell me not to do something the more I want to do it." Worth at least $500 million.

Three members of The Forbes Four Hundred have been honored with stars along Hollywood's Walk of Fame for their contributions to the entertainment industry:
Gene Autry
Merv Griffin
Mark Goodson

William Morse Davidson

Guardian Industries Corp. Bloomfield Hills, Mich. 65. Thrice divorced, 2 children. Practiced law, took over uncle's interest in Guardian, then a failing windshield fabricator. Took public 1968. Now fourth-largest U.S. glass manufacturer; 15% of flat glass market, 8% automotive. Took private 1985 in $500 million LBO. Anti-union. Lost appeal patent infringement lawsuit; competitor wants $100 million in damages. Owns 57% of Detroit (basketball) Pistons. Fed up with scheduling at Pontiac Silverdome, built team a $70 million arena. Also bought team $2 million jet. With substantial interests Spain, etc., company now believed worth some $500 million.

Harold Brown

Real estate. Boston. 63. Divorced, 3 children. Son of poor Russian immigrant; Hal played clarinet, sax for $2 a gig. MIT 1947, studied metallurgy: "It was the field with the lowest unemployment and the highest wages." But after WWII, started doughnut chain. To Korea 1950: "I was very upset when they called me back into the service." As sideline, bought 6-unit apt. building 1956; discovered real estate. By 1970s heavy apt. buyer (some for $2,000 per unit): "I had to either quit my job or sell my real estate." His Hamilton Realty Co. now 6,000 apts., 9.2 million sq. ft. commercial space in Boston area. Building nonprofit day care centers. Worth at least $500 million. Beats metallurgists' wages.

Roy Edward Disney

Walt Disney Co. Los Angeles. 58. Married, 4 children. Father Roy O., famous uncle Walt started Disney Productions 1923. Roy E. worked in studios as cameraman, film editor for 23 years, quit after bitter fight for creative control. Returned 1984 as vice chairman; reemphasized animated movies. "I like to think that I'm in the middle of the company's renaissance." Also Shamrock Holdings: 3 TV and 14 radio stations, ranching properties, other compa-

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nies; unfriendly bid this year for Polaroid. Avid sailboat racer. His 2.5% Disney, Shamrock, etc. worth $500 million. Wife: "When he wears a suit to the office, his secretary asks him who died."

Laszlo Nandor Tauber

Real estate. Potomac, Md. 73. Divorced, remarried; 2 children. Born Budapest; champion Hungarian gymnast. Hungarian med school 1938: "Since the day my consciousness began I've wanted to be in medicine." Survived Nazi labor camps; escaped on second try 1944: "I just walked away one day." To U.S. 1947; built first apt. project 1951 on vacant lot bought for $9,500. Built own hospital 1965; bldgs. for govt. offices 1960s (Uncle Sam's biggest landlord). With choice NYC bldgs. now almost 8 million sq. ft. Still spends hours in surgery. "I devote 10% of my time to real estate, but 90% of my income comes from it." Lucrative sideline est. worth $500 million.

Malcolm Stevenson Forbes

Inheritance. Publishing. Far Hills, N.J. 69. Divorced, 5 children. Father B.C., Scottish immigrant 1904, launched FORBES magazine 1917. Sons inherited 1954: Bruce died 1964, MSF eventually sole stockholder. N.J. state senator, gubernatorial candidate 1957. Enormous growth from 1960s; now top business publication, unusually profitable. Bought *American Heritage* for reported $10 million 1986; ad revenues up 386%. Bought Somerset Press (10 N.J. weeklies) for reported $6 million 1987. Owns 400-sq.-mile Colorado ranch, South Sea island, Tangier palace, French chateau, London mansion; among several hundred Fabergé pieces are dozen Imperial eggs—2 more than Kremlin; also presidential letters, toy soldiers, toy boats, etc., etc. Author 6 books and Capitalist Tool fortune cookies. Latest, *They Went That-a-Way,* strong seller. Balloonist (set 6 official records); twelve private friendship balloon/motorcycle trips: Russia, Pakistan, Japan, Thailand, China, Egypt, etc. Scheduled successor: MSF Jr. Son Tim heads *American Heritage.*

Reputed net worth:
London Daily Mail: £400 million.
N.Y. *Daily News:* Billionaire.
N.Y. *Newsday:* $400 million to $700 million.

$250 Million or More

John Thomas Lupton

Elizabeth Lupton Davenport

Brother and sister. Coca-Cola bottling. Grandfather John T. got right to distribute Coca-Cola 1899. Used portion of patent medicine fortune to finance first Coke bottling plants (d. 1933). Father Thomas Cartter took over; bought, sold Coke franchises at frantic pace. John: Chattanooga, Tenn. 62. Married, 4 children. Enlisted Navy, 1944; assigned to PT boat. "Jack" joined business as bottle washer; took over at father's death, 1977. JTL largest bottler in U.S. at time of sale to Coca-Cola 1986 for $1.4 billion. "The timing was right for this." John's timing, 60% JTL netted him some $480 million. Main force behind RiverCity Co., estimated $750 million revamping of river area in Chattanooga. Elizabeth (Mrs. Rodolph) Davenport: Lookout Mountain, Tenn. 55. Divorced, remarried; 3 children. Approximately 40% of father's trust believed hers. Her share JTL proceeds believed $285 million.

Oakleigh Blakeman Thorne

Commerce Clearing House. Millbrook, N.Y. 56. Divorced, remarried; 3 sons, 1 daughter. B.A. Harvard, 1954. Quaker great-grandfather Oakleigh Thorne bought CCH 1907, six years before income tax enacted. Publishes updated tax and business law information, provides corp. services. Long largest publisher of tax guides for lawyers, accountants; explains tax laws in plain English. IRS primary subscriber. Acquired McCord Co., public-record information service, 1988. Chairman Oakleigh detached from co., lives on 600-acre farm "Thorndale," upstate N.Y., raises Thoroughbreds, orchids. Son Oakleigh M.B.A. 1986 Columbia, aspiring chief executive. Oakleigh's 46%, etc. worth $480 million.

Thomas Stephen Monaghan

Pizza. Ann Arbor, Mich. 51. Married, 4 daughters. Fatherless at 4, raised in orphanages. Thrown out of seminary for misconduct; joined Marines. In 1960 bought pizza parlor in Ypsilanti, Mich. with brother, $500 loan. One year later swapped VW for brother's share. Today Domino's over 4,600 stores, second only to Pizza Hut; systemwide sales nearly $2 billion. Owns Detroit Tigers, estimated at $70 million. Largest collection Frank Lloyd Wright furniture. Antique car collection. $150 million Domino's Farms based on Wright design: working farm, museum, headquarters for pizza company. His 97% of Domino's Pizza, Inc., plus assorted valuables, worth about $480 million.

William Alvin (Tex) Moncrief Jr.

Oil & gas. Fort Worth. 68. Married, 4 sons. Son of legendary W.A. (Monty) Moncrief, Texas-born, Okla.-bred wildcatter; hit first big well in East Texas 1931 after 4 years of dry holes; built oil empire

87 members of The Forbes Four Hundred have fortunes derived principally from real estate. (In 1987, 73.)

from East Texas to Gulf of Suez; died 1986 at 90. Tex now runs father's estate, own operations; surpassed father's wealth with June 1988 bonanza: struck "awesome" Wyoming gas well; reserves estimated at 1 trillion cubic ft. Also oil, gas in Texas, N.M., La. and Fla.; several "little" ranches wherever he has oil. Summer: retreats to Colorado ranch to work cattle, dig postholes. Controls fortune worth at least $475 million. "I'm glad I made a little money."

Sheldon Henry Solow

Real estate. NYC. 60. Married, 1 child. Small-time builder sank everything into landmark Manhattan skyscraper 1972. "We're in barracuda land. You can only get away with this once." Scrapped original plan to build apts.; Solow Building (née Avon Building, 9 W. 57th St.) now 1.4 million sq. ft. prime midtown office space. Gets premium rents for Central Park views; worth at least $500 million. Catchy architecture: sloping glass sides; marked in front with giant red "9" sculpture. Owns many high-end Manhattan apts., including city's most expensive rental building (up to $15,000/mo.). Litigious. Net of debt, worth over $475 million.

Roy Hampton Park

Media. Ithaca, N.Y. 78. Married, 2 children. N.C. farm boy. Entered N.C. State at 15; AP stringer ($18 a week), ran college paper. After p.r. stint, bought Ithaca ad agency 1942. Ran Thomas Dewey ad campaign: "If he'd won, I'd be a happy retired bureaucrat." Convinced food writer Duncan Hines to lend name to cake mix outfit 1947: "I had the only walking, talking trademark in the world." Sold Hines-Park Foods to Procter & Gamble 1956 for stock. Bought N.C. TV station 1962, now has 7 TV, 19 radio stations, 124 publications. Wears gold watch on each wrist; wife raises peacocks. His 89% Park Communications, real estate worth $475 million.

Marshall Field V

Frederick (Ted) Woodruff Field

Half brothers. Inheritance, media. Original Marshall Field started as Chicago store clerk; scrimped pennies, went into drygoods biz with two partners 1865 (later bought them out). Built Marshall Field & Co. into world's largest dept. store, left all in trust to 2 grandsons. Grandson Marshall III sold store 1941; bought *Chicago Sun*, added *Times* 1941, later TV, cable. Field Enterprises inherited by Marshall IV (d. 1965, age 49). Marshall V joined *Sun-Times* after Harvard, publisher age 28. Conflict with incompatible half brother Ted ended in liquidation 1983. Marshall: Lake Forest, Ill. 47. Divorced, remarried; 4 children. Bought Ted's share of real estate firm Cabot, Cabot & Forbes; later bought Pioneer Press (suburban newspapers), Xerox educational publications, Muzak; recently added F&W's encyclopedias. Ted: Beverly Hills. 36. Divorced twice, remarried; 3 children. Raised in Alaska by mother (editor of *Christian Science Monitor*). Fling with racing cars; now produces movies as Interscope (*Three Men and a Baby, Cocktail*). Knack for turning big profits: bought Panavision for $20 million 1985, realized $80 million 1987. Also trades commodities, develops real estate. Est. net worths: Marshall, at least $425 million; Ted, at least $470 million.

Norton Clapp

Inheritance. Seattle. 82. Twice divorced, widowed, remarried; 6 sons (3 deceased), 5 stepchildren. Maternal grandfather Matthew G. Norton founded lumber company Laird Norton with brother and Laird family; early Weyerhaeuser investors. Father married, in succession, both Norton daughters; Norton Clapp double-dipper heir, was largest single Weyerhaeuser shareholder. Law degree 1928; enlisted Navy 1942. Pres. Weyerhaeuser 1960-66, chairman to 1976. Stepson Booth Gardner Wash. governor. Reclusive, widely regarded as Northwest power, controls investments in real estate, lumber, etc. worth some $465 million; shares trusts worth over $800 million with 200 Laird, Norton relations.

27 members of The Forbes Four Hundred have fortunes derived principally from New York City real estate. (In 1987, 26.)

Barbara Piasecka Johnson

Princeton, N.J. 51. Widowed, no children. Third wife John Seward Johnson (d. 1983; heir with brother Robert Wood Johnson to J&J fortune). Claims art history M.A., Wroclaw U.; fled Poland, arrived U.S. 1968 with $100. Upstairs chambermaid on Johnson's estate; married him 3 years later. Built $30 million, 160-acre "Jasna Polana" (like Tolstoy's estate) in Princeton late 1970s, complete with air-conditioned doghouse. Vast Old Masters collection; Greek, Roman sculpture. Soap-opera court battle with Johnson's children; "Basia's" winnings now worth over $465 million; already wealthy children *(see family)* got $42 million. "Money is to spend; it does not have any value otherwise."

Gordon Peter Getty

Inheritance. San Francisco. 54. Married, 4 sons. Son of oil tycoon Jean Paul Getty. "Gordo" tried hand at Getty Oil's Middle Eastern operations; quit 1959 to study opera at San Francisco's Conservatoire of Music. Sued father 1966 for unpaid dividends from family trust; lost. Only relative at father's deathbed 1976; named executor of trust. Tried to head Getty Oil but board hostile; sale of family's 40% to Texaco 1984 sparked Texaco-Pennzoil debacle. Relatives sued Gordon over trust; $3 billion in T bills tied up in litigation ever since *(see Getty family)*. Gordon removed as trustee; composes operas. His trust income, prudently invested, should be worth $450 million; his estimated share of principal, if ever distributed: $750 million.

Morton K. Blaustein

Ruth Blaustein Rosenberg

Louis Thalheimer

Inheritance. Baltimore. Heirs of Lithuanian immigrant Louis Blaustein (1869-1937), who invented forerunner of modern tank car, and only son, Jacob (d. 1970), developed metered gas pump, drive-in stations, antiknock gasoline. Jacob founded American Oil 1910, merged into Standard Oil of Indiana for 5.25 million shares (now over 8 million); also part-time diplomat: convinced U.N. conferees to accept human rights provision 1945. Jacob's son Morton: 61. Twice divorced, remarried; 2 daughters. Geologist, chairman of family's American Trading & Production Corp. (oil & gas, real estate, tankers, manufacturing, investments). Active American Jewish Committee, rarely seen at public affairs. His stake, plus over half Atapco, worth at least $440 million. Jacob's sister Ruth: 89. Widowed, 3 children. Director; her interest worth estimated $250 million. Only son, Henry Jr. (CEO family-controlled Crown Central Petroleum), votes most shares. Considered astute businessman, active civic affairs, trustee Johns Hopkins. Louis (grandson of Jacob's deceased second sister): 44. Married, 3 children. Sports aficionado. President Atapco. Controls interest worth at least $250 million.

BUYING A BUSINESS JET IS

The Forbes Four Hundred

Estée Lauder

Leonard Alan Lauder

Ronald Steven Lauder

Mother, 2 sons. Cosmetics. NYC and the Hamptons. Estée: 80. Widowed. Born NYC's Queens as Josephine Esther Mentzer to Hungarian immigrant parents. Peddled skin creams for uncle, later went out on own, attached Estée Lauder name to several products. Summer resort romance led to marriage to Joseph Lauder (d. 1983). By 1960 sales over $1 million (mostly Youth Dew fragrance). "Sees" fragrances; also uncanny sixth sense for consumer trends. Today one of world's largest cosmetics companies. Estée, Clinique, Prescriptives, Aramis cosmetic lines sold only through upscale department, specialty stores. Not involved in day-to-day operations, but still reigning queen of cosmetics world. Leonard: 55. Married, 2 sons. Current CEO; now credited with company's huge financial growth. Ronald: 44. Married, 2 daughters. Ran foreign operations. Political aspirations spurred 1983 exit to become deputy assistant defense secretary (NATO), U.S. ambassador to Austria (1986-87); heads Ronald S. Lauder Foundation, which aids Eastern European Jews, also oversees Lauder Investments, Inc.; still company director. Family shares company worth well over $1.35 billion.

Cordelia Scaife May

Inheritance. Ligonier, Pa. 60. Divorced, widowed; no children. Great-granddaughter of Judge Thomas Mellon. Brief marriage 1950. Wed 1973 to longtime friend Robert Duggan, Pittsburgh D.A.; he died of gunshot wound 1974 amid corruption investigation. Brother Richard Mellon Scaife *(which see)* has not spoken to her since. Endowed Laurel Foundation to support education, population control, other liberal causes. Maintains family tradition (Mellon fortune built on 19th-century venture capital) in small way, funding emerging companies through Roldiva Inc. Net worth (much in trusts) over $450 million. *(See also other Mellons, Currier family.)*

Fitz Eugene Dixon Jr.

Inheritance. Lafayette Hill, Pa.; Palm Beach, Fla. 65. Married; son, daughter. Primary heir to fortunes of two great-grandfathers: streetcar magnate P.A.B. Widener (d. 1915: reported worth $100 million); William Elkins (d. 1903; investor in Widener, utilities, Standard Oil; reputedly left $30 million). Freshman dropout Harvard, taught 16 years—"happiest days of my life"—at his Main Line prep school, Episcopal Academy. Now philanthropist; fortune mostly blue-chip stocks, high-grade bonds. Owns most of Grindstone Neck, Me., faded resort where he was born. Bought house for $75,000, found original Audubon prints worth $200,000-plus. Once owned Phil. (basketball) 76ers, now over 10% (baseball) Phillies. Estimated worth: over $450 million.

8

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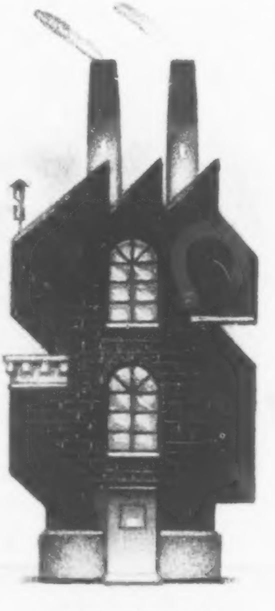


75 members of The Forbes Four Hundred have fortunes derived principally from manufacturing. (In 1987, 84.)

Seymour Cohn

Real estate. Upper Brookville, N.Y. 77. Widowed, 2 children. German great-grandparents emigrated NYC 1860s, real estate became family calling. Seymour dropped out of Rutgers to join family firm 1931. Persuaded kid brother Sylvan Lawrence to join 1946. Seymour: "The older ones gotta take care of the young. That's the way we were brought up." Bought first building 1947 for $135,000; at peak, as Sylvan Lawrence Co., lower NYC's biggest commercial landlord. Since Sylvan's death 1981, sold $600 million of properties. Seymour's half of fortune worth $450 million. "It was an empire—a tremendous, modern empire."

Miles Carnes Collier

Inheritance, investments. Naples, Fla. 41. Single. Grandfather Barron Gift Collier parlayed Memphis trolley car ad business into land; at peak owned 1.3 million acres S. Florida (d. 1939). Miles, after Columbia U. M.B.A. 1973, liked venture capital; by coin toss, family split land empire 1980 after strategy spat *(see family)*. "Everyone was numb, but it had to be done." His Collier Enterprises: 77,000 acres, 2,800 acres Naples, oil; active developer. Into Egyptian art; races, restores classic Porsches. Worth at least $450 million, not counting unknown venture capital. "I know just enough about all kinds of things to be dangerous at all of them."

Sigfried Weis

Robert Freeman Weis

Cousins. Weis Markets, Inc. Sigfried: Lewisburg, Pa. 72. Robert: Sunbury, Pa. 69. Both married, 3 children each. Their fathers opened little grocery store, Sunbury, 1912. Now 116 stores mostly in Pa. Key: vertical integration—"We're very self-contained." Have own dairy, construction workers, architects, trucking fleet; make 1,500 private-label products for own stores. Also Amity House family-style restaurants (ice cream, sandwiches). Family ownership leads to high returns: "When we expand in one direction or another, we're gambling with our own money." Zero debt. Sig, pres., studied at Andover, Yale; enjoys philanthropy, traveling; owns 33% Weis stock worth $450 million. Robert, VP, owns 28% worth $380 million; his sister, Ellen, another $116 million.

M. Larry Lawrence

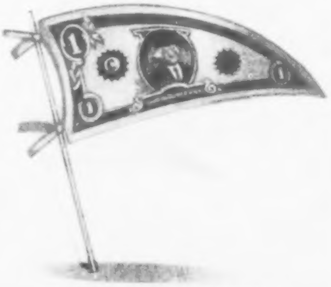
Real estate. San Diego. 62. Twice divorced, remarried; 3 children. Raised Depression-era Chicago's North Side; Merchant Marines, U. of Ariz. Earned $2,200/year playing pro football for Chicago Cardinals (now in Phoenix); after Chicago odd jobs, moved to Calif. 1953. Built low-income housing, offices, warehouses, etc.; bought San Diego's grand oceanfront Hotel del Coronado for $10 million 1963. Now worth at least $400 million. "I fell in love when I first set eyes on her." $1.2 billion offer for Copley Press rejected 1988: "I'm a patient man." Big giver education; heavy-checkbook liberal Democrat: "I admit to it." Worth at least $450 million.

William Russell Kelly

Kelly Services. Fort Lauderdale. 82. Married, 1 son. Father international oil pioneer, died 1928 leaving no estate, 7 children. Russell dropped out of U. of Pittsburgh, became car salesman. Army fiscal analyst WWII, saw new business machines, realized need for operators. Opened Russell Kelly Office Services in Detroit 1946. First sent machines and girls to clients' offices. When clients bought own machines, still needed people trained to use them. "It just seemed to be a natural development . . . to send out the girls and forget about the machines." Brother Richard joined 1955. Went public 1962, now more than 800 offices nationwide. Stepson, Terence Adderley, pres. and CEO Stock worth $450 million.

Ralph Lauren

Apparel. NYC, Westchester, N.Y. et al. 49. Married, 3 children. Born Bronx, NY, to Russian immigrant mural/house painter. Quit CCNY; first sales job Brooks Brothers. Hit big 1960s: wide, colorful ties. "I



The average estimated net worth of members of The Forbes Four Hundred who are known to have graduated from a college or university is at least $614 million. The average for those who never attended college: $511 million.

didn't think I was a designer, but I had ideas." Created Polo Inc. 1967; dressed Robert Redford (*The Great Gatsby*); Diane Keaton (*Annie Hall*) 1970s; got big on preppie look; "instant classic" Old World styles grossed $2 billion 1988 despite sluggish industry. Jets family among several homes. His 90% Polo, etc. worth at least $450 million. Lauren: "To have a strong concept and point of view that you believe in and stand by."

Richard E. Jacobs
David H. Jacobs

Brothers. Shopping centers. Dick: Lakewood, Ohio; NYC. 63. Divorced, 3 children. Dave: Bay Village, Ohio. 67. Married, 3 children. Father marketed Goodyear dirigibles. Dick and Dave early hustlers: Dick hawked window polish; Dave was a carhop at Chicken Charlie's. After WWII brothers sold real estate; scouted sites for then-fledgling mall developer Edward DeBartolo (*which see*). With partner Dominic Visconsi, built mall Columbus, Ohio 1962; 44 malls later Jacobs Visconsi & Jacobs owned 42 million sq. ft. nationwide. Dick deals, Dave builds; Dick: "We were in the right industry at the right time." Now retired Visconsi mostly bought out. Also Wendy's franchises, Marriott hotels, Cleveland Indians; building 2.5 million sq. ft. Cleveland. Dick and Dave share fortune estimated $740 million; Dick has larger share. Dick: "I never figured it up. If you saw my desk you'd understand why."

William S. Paley

CBS. NYC and Southampton, N.Y. 87. Divorced, widowed; 4 children, 2 stepchildren. Grandfather: Russian lumber magnate. Father: wealthy Philadelphia cigar king. Graduated Wharton School of Finance 1922; stint in father's co. Bought foundering radio network 1927. Raided NBC for luminous star stable (Jack Benny, Red Skelton, Amos 'n' Andy). Built CBS empire: 1987 revenues $2.8 billion. Retirement 1983 prompted Lew Wasserman comment: "As long as Bill Paley has breath in his body, he will be CBS." Apparently so: Paley in 1987 comeback coup with Larry Tisch (*which see*). CBS holdings, art collection, other assets, worth at least $440 million.

Meshulam Riklis

Finance. Calif., NYC. 64. Divorced, remarried (to actress Pia Zadora); 3 children by first marriage, 2 by second. Born Turkey, landed U.S. 1947. Stockbroker, Minneapolis. Organized investment syndicates. Built own empire by piling debt on debt in nonstop acquisition policy. Dubbed "Meshuggene Reckless" by friends. Companies periodically leveraged to breaking point. "You can name the price if I can name the terms." He even buys debt: $1.5 billion worth came with recent purchase of E-II; but lure, no doubt, was the $1.5 billion cash in E-II's coffers. Now controls billions through his companies. After debt, estimated net worth at least $440 million.

Among graduates of colleges and universities on The Forbes Four Hundred, the most numerous were:

Yale: 24
Harvard: 15
Penn: 10
Princeton: 10
Stanford: 9
Columbia: 9
MIT: 8
NYU: 7

John Orin Edson

Leisure craft. Seattle. 55. Married, 2 children. Founded Bayliner (powerboats) 1955. Co. was fastest craft on water: Sales, profits doubled in each of last 3 years before sold to Brunswick late 1986. Noncommunicative: Edson says he has no other interests, investments, associations. Maintains 105-ft. yacht; pilots the several planes he owns. Remarkable ability to carry out classic precept: simplification of production in traditionally custom-craft business. Also, simple credo: Success is assured by giving best value to consumer. Proceeds of Bayliner sale conservatively invested. Net worth exceeds $440 million.

Bob John Magness

Cable TV. Denver. 64. Widowed, 2 sons. Oklahoma-born son of refrigerator salesman worked as roughneck, cottonseed buyer. Got idea to bring TV to rural towns via cable. With late wife Betsy and $500, laid first system in Texas Panhandle 1956. Followed simple formula: install systems in small towns, depreciate, sell, buy franchises in larger towns. "Old pole climber" formed Tele-Communications Inc. 1968; now nation's biggest cable TV firm, large investments in other operators (has interests in 8.4 million subscribers). Collects Western art. His 10% of TCI and other investments worth over $435 million.

Stanley Irving Stahl

Real estate. NYC. 64. Divorced, remarried; 1 son, 2 stepchildren. Started as real estate broker 1947. With commissions, bought first Manhattan apartment building a year later "the usual way: I saved." Gambled everything 1962: built 1.76-million-sq.-ft. office tower at 277 Park Avenue. Now Chemical Bank Building, worth minimum $170 million. Not co-oping his 2,800 Manhattan apartments: "I think it's too much of a hassle"; has pieces 6 other NYC office buildings. Won 1977 court ruling denying apt. leases to "intelligent" persons—i.e., would-be tenants who know law and may cause trouble. NYC office space, apts., etc. worth at least $430 million.

Guilford Glazer

Real estate. Beverly Hills. 67. Divorced, remarried; 2 children. Father ran Knoxville, Tenn. welding shop; after Geo. Wash. U., WWII, built Knoxville steel plant; then apt. house for widowed mother 1950. Moved into shopping centers 1950s-60s; built LA's 3-million-sq.-ft. Del Amo Fashion center 1971, nation's largest mall: "It's like running a city." Tax-assessed value: $240 million; market value: $500 million. Guil: "Thank goodness for Prop. 13." Also Atlanta, Boston, Pittsburgh. Active Jewish causes, building community center in Israel with buddy Armand Hammer; adviser to Israeli prime ministers: "I am close with those fellas." Worth at least $430 million.

At least 9 members of The Forbes Four Hundred did not finish high school. At least 40 finished high school only. At least 296 attended college, of which 242 graduated. Postgraduate degrees: M.B.A., 46; Law, 16; Other, 17.

Joseph S. Gruss

Investments, oil. NYC. 85. Widowed; 1 son, 1 daughter. Learned banking from father in eastern Poland. Ownership of New York travel bureau provided entry ticket to U.S. 1939. Spoke no English; formed investment house Gruss & Co. Sank arbitrage, brokerage profits into oil & gas from 1952 with silent partner John Cox *(which see)*. Used to beat on office wall to summon accountant. Donated more than $100 million to Jewish causes: "This is my monument." Son Martin now runs business, recently selling half of oil production, plugging proceeds into stocks (including 10% stake in Chock Full O' Nuts). Worth at least $420 million.

Neil Gary Bluhm

Judd David Malkin

Partners. Real estate. Chicago. Both live Winnetka, Ill. 50. Married, 3 children each. Grew up together on Chicago's North Side; delivered root beer together, roommates at U. of Illinois. Both CPAs; Toyota distributor Malkin talked successful lawyer Bluhm into syndication business 1968. Judd: "I had to twist his arm to leave." JMB Realty Corp. now controls over $21 billion in real estate assets; many projects for own account: built Chicago's Water Tower Place, bought Federated Realty Associates. Neil: "We do lots of things besides syndication." Bought Disney's Arvida Corp. for $400 million 1987; swallowed $2 billion Canadian giant Cadillac Fairview 1987, Amfac (one of largest Hawaiian landholders) 1988. "A lot of developers are high profile. They can have the glory; we'll take the cash flow." Lost $17.5 million bid for Chicago (football) Bears stake 1988. Pair's 66% stake JMB, other assets, worth well over $800 million. Neil: "You'd be safe doubling that."

Laurence Fisher

Zachary Fisher

Brothers. Real estate. NYC. Larry: 78. Zachary: 77. Both married, 1 child each. Third-generation New York real estate family; as teenagers, Larry and Zach bought Philadelphia bank building 1926. Built apts. in NYC's Queens, 1930s-40s; then Manhattan offices 1960s. Criteria: "Location, location and location." Own several NYC signature buildings: Burlington House, Park Ave. Plaza, Burroughs building; now over 7 million sq. ft. Manhattan office space, most prime. Some projects with erstwhile billionaire Daniel Ludwig *(which see)*. Leverage? Larry: "We're very *cash* leveraged." Active in stock market: run at Disney with Saul Steinberg *(which see)* 1984, pocketed $30 million profit; considered CBS bid 1985. Larry N.Y. Yankees fanatic, buddies with George Steinbrenner; Zach bankrolled conversion of WW II aircraft carrier *Intrepid* floating museum. Together Larry and Zach worth at least $800 million. Larry: "When you did your billionaire list, you missed me."

Claude Bernard Pennington

Oil & gas. Baton Rouge, La. 88. Married; 1 son (killed in 1958 oil rig accident). Son of eye & ear doctor, born one year after state's first oil strike. Spent summers roughnecking; joined father's clinic in 1925, but returned to oilfields day after father's death. Worked sandy Tuscaloosa Trend despite dry holes; first big strikes 1952 didn't surprise him: "I just sort of expected them." Major oil companies flocked to field. "Doc" now has interest in at least 100 wells in 7 states; said to have $70 million in local banks. Interest in nutrition spurred $125 million donation (in oil, stocks, bonds) to create LSU nutrition center 1983. His net worth believed to exceed $400 million.

James Emmett Evans

Citrus. Dade City, Fla. and Highlands, N.C. 88. Widowed, remarried, divorced; 2 children. Born

Georgia; sold Fords, threw suitcase into his Model T, headed to Fla. Bought first groves 1920; became mayor Auburndale at age 25. Quit politics 1930, "decided to tend my own business." Business now over 30,000 acres orange, grapefruit grove land in high-demand So. Fla. Strong believer in family business: "My family are my only stockholders." Retreats to N.C. home six months a year; "The Wheel" has played gin rummy with same pals for 40 years. Second marriage lasted 3 months; working on number 3: "I'm always looking." Net worth over $400 million.

Carl Clement Landegger

George Francis Landegger

NYC, London et al. Sons of Karl F. Landegger, who bought Austrian paper mill 1920s. Fled Hitler 1938, arrived U.S. 1940 with some $40,000. Purchased Parsons & Whittemore, then small pulp trading firm, now worldwide builder of pulp and paper mills with capacity of 2,400 tons a day. Has built 64 mills in mostly developing and communist countries. Owned by sons since father's death 1976. Also Black Clawson, paper machinery firm with $200 million in sales. Carl, 58; married, 6 children. Heads U.S. operations; alter ego: archeologist. Discovered pre-Columbian cities, earliest New World wreck (16th-century, Bermuda). George, 50; married, 5 children. Runs overseas operations. With pulp industry strongly on upswing, companies believed worth over $800 million.

Among The Forbes Four Hundred, August Busch and George Mitchell have the largest number of living children (10).

William Wrigley

Chewing gum. Lake Geneva, Wis. and Chicago. 55. Twice divorced, remarried; 2 sons, 1 daughter. Grandson of William Wrigley Jr., salesman; arrived Chicago 1891 with $32. Sold baking soda with premium: free chewing gum. Discovered gum sold better. Pioneered retail incentives for merchants (lamps, scales, razors); one of first to advertise product by brandname. Introduced Wrigley's Spearmint, Juicy Fruit, Doublemint gums. Now world's largest manufacturer (just under 50% of U.S. market). William ("Basically gum is an adult pacifier") president. Raises Arabian horses. Sold Chicago Cubs 1981 to pay parent's estate taxes. His share Wrigley worth $400 million.

Walter Herbert Shorenstein

Real estate. San Francisco. 73. Married; 1 daughter, 1 son in business. Son of Long Island clothier, hired on as real estate salesman for Milton Meyer & Co. in San Francisco 1946 after Air Force. Named partner 1951, bought company outright on Meyer's death 1960. SF's "Doyen of Office Landlords"; owns nearly 4.5 million sq. ft. offices, manages another 14 million. Put up only $2 million in equity to buy $660 million Bank of America headquarters 1985. Major Democratic fundraiser. Daughter is Broadway producer *(Fences)*. Net worth exceeds $400 million. "If you're going to get an asset, make sure that you have something that other people want."

John Richard Simplot

Meat, potatoes. Boise, Idaho. 79. Divorced, remarried; 4 children. At 14 "Jack" quarreled with Dad, quit 8th grade to raise hogs; moved into potato, onion processing. Supplied GIs with dehydrated spuds WWII; struck gold early 1960s: persuaded McDonald's founder Ray Kroc to buy his patented frozen french fries. Private J.R. Simplot Co. now $1.1 billion (sales) agribusiness giant: food processing, fertilizer, cattle, etc.; "French Fry King" runs 1 billion pounds spuds a year. His $20 million investment Micron Technology now worth $100 million. "The only smart thing I've ever done is hang on." After reexamination, Simplot now believed worth at least $400 million.

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The average number of children among members of The Forbes Four Hundred is 3.1

Saul Phillip Steinberg

Finance. NYC. 49. Twice divorced, remarried; 6 children. Brooklyn-born son of rubber manufacturer, read financial page for fun, Wharton grad at 19. Founded computer leasing firm with father's $25,000 1961, took high-flying Leasco public 1965. Acquisition binge: bought control of staid Reliance Insurance 1968; failed run at Chemical Bank 1969 earned fame as enfant terrible. Took Reliance private 1982 for $550 million; public again 1986. Firms underwriting losses balanced by greenmail (Disney, etc.), sharp investments (Days Inn, Telemundo); but crash bludgeoned stock, lost 50% value. With investments, art, real estate, still believed worth over $400 million.

Leon Hess

Amerada Hess Corp. NYC and Deal, N.J. 74. Married, 3 children. Father came from Lithuania 1904;

started small N.J. fuel delivery firm. Went broke 1933, reorganized with Leon (age 18) at helm. Saw potential in tarry residual oil; built truck fleet to deliver while still hot (hence pourable). Pursued federal oil contracts, entered storage business, 1938. Later exploration, refining, retailing. Merged with Amerada Corp. 1969; now $4.7 billion (sales) oil Goliath. Son John, VP, groomed to take over, but Hess still rules. "As long as I live, have my health and can justify my existence, I expect to stay." With A-H stock and New York (football) Jets, worth at least $400 million.

Malcolm Austin Borg

Publishing, TV. Englewood and Spring Lake, N.J. 50. Married, 3 children. Wall St. stockbroker grandfather bought into Bergen County (N.J.) *Record* 1922; wholly owned since 1930. From small county daily to suburban powerhouse (Sunday circ. 230,000); wildly profitable. Malcolm took over 1971, bought out brother 1982. Macromedia Inc. now 4 TV stations, 2 newspapers: Woodbridge (N.J.) *News-Tribune* (circ. 52,000). Has 10 TV sets at home, got first VCR last X-mas. Son John, 26, works for *USA Today*. Tried to move WWII submarine museum berthed on his property: "The submarine is not all that wonderful." Dan Aykroyd soundalike controls fortune over $400 million. "People may consider me fat, dumb, lazy—and happy."

Vivian Leatherberry Smith

Inheritance. Houston. 80. Widowed, 2 daughters. Widow of oil roughneck and ex-boxer Robert Everrett (R.E. Bob) Smith, who borrowed $25,000 to buy two oil rigs 1922. Oil profits into Houston-area land 1940s-50s; became Harris County's largest owner (over 11,000 acres): "I have a thorough belief in inflation. That's why I invest in land." Much land in path of Houston boom; cobuilt parts of huge Galleria complex. Helped fund baseball Colt .45s (now Houston Astros) 1960; died 1973, estimated $500 million estate. Viv golfs twice a week; owns 12% Astros, attends most home games: "She's been a baseball fanatic all her life." Remaining land, sale proceeds, oil & gas interests believed worth at least $400 million.

Burton Paul Resnick

Real estate. NYC and Rye, N.Y. 51. Married, 3 children. Father Jack started small Bronx construction firm 1928; built in Manhattan early 1950s. Burt joined Jack Resnick & Sons after U. of Chicago 1956; developed residential projects, bought older NYC buildings after 1970s real estate crash. Company now controls some 5 million sq. ft. NYC office space, thousands of New York area apts.; all managed inhouse: "No one can take better care of them than us." Some early projects with Arthur Belfer *(which see)*; two current NYC office projects now being leased. Jack largely retired in Fla.; Burt runs show now worth at least $400 million.

Lillian Goldman

Inheritance. NYC. 66. Widowed, 4 children. Widow of Sol Goldman, billionaire NYC real estate baron, died 10/18/87. Sol bought foreclosed properties 1930s. Partners with Alex DiLorenzo Jr. 1951; Goldman-DiLorenzo grew into area's largest landlord. Post-NYC real estate crash, split properties with DiLorenzo heirs *(which see)* 1975; at death, owned nearly 700 NYC parcels. Lillian sued for divorce 1983; reconciliation agreement gave her 33% of Sol's estate. Lillian sued to void it, claimed conspiracy; lost 1987. Sol willed her 33% in trust; she's suing (again) to get cash upfront. Either way, should get over $400 million *(see family)*.

Harvey Roberts Bright

Oil, real estate. Dallas. 68. Widowed, remarried; 4 children. Dallas boy "Bum" studied Andrew Carnegie, J.P. Morgan. After Texas A&M, quit as Sun Oil engineer to wildcat late 1940s; bought real estate with oil profits: "Every Sunday I'd load my wife and kids into the car and price land." Also trucking, banking; sold East Texas Motor Freight Co. 1982 for estimated $70 million. Bright Banc ($4.8 billion assets) sinking under Texas economy, nearly worthless. "I'd sell anything I could get any money for." A few candidates: 2,500 prime N. Dallas acres, 40% Dallas Cowboys, oil & gas. Bum: "I never said I was worth $600 million. You did." Was, once. Still worth some $400 million.

Philip Hampson Knight

Nike, Inc. Beaverton, Ore. 50. Married, 2 sons. Ran track at U. of Oregon. M.B.A. Stanford 1962. Wrote paper for marketing class, inspired idea of selling athletic shoes produced in Japan: "Everybody was writing about computers and electronics, but all I really knew about was running." Imported Japanese sneakers with track coach, Bill Bowerman (cofounder, Nike), worked as CPA for Price Waterhouse. Bowerman designed track shoes (put rubber in waffle iron to create uniquely studded sole), Knight advertised Nike as shoe of champions. Today stock and other holdings worth $400 million. Still runs, works 60 hours. "It's what I've chosen to do with my life."

Samuel Zell

Robert Harris Lurie

Partners. Real estate, investments. Chicago. As U. of Mich. fraternity brothers, started investing in Ann Arbor real estate. First building: $1,500 down on $19,500. Split briefly while Sam practiced law. Anticipating inflation, bought distressed Sunbelt, Midwest properties 1970s, rehabbed for fraction of new construction cost; sold some for big gains, picked up more. Same approach to corporate America: took control of Itel Corp., Great American Management & Investment; used tax-loss carryforwards in further buys. Recently acquired holdings from Henley Group Inc. Sam, self-described "gravedancer," 46. Married, 3 children. Son of Polish immigrants, peddled *Playboy* in grade school for 200% profit. Bearded biker, prefers denim to pinstripes. Naturally acquisitive. "My whole focus is, how can I get a monopoly?" Robert, "a Woody Allen look-alike," 46. Married, 6 chil-

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dren. Bob crunches numbers while Sam cuts deals: "Two halves of a single human being." Partners share fortune believed to exceed $780 million.

Stephen Davison Bechtel Sr.

Stephen Davison Bechtel Jr.

Engineering, construction. Father: Oakland, Calif. 88. Married, 2 children. Son: San Francisco. 63. Married, 5 children. Patriarch Warren Bechtel (d. 1933) founded Bechtel Co. predecessor 1898 in Oklahoma Territory. Moved to Oakland 1904. Built railroads; led $50 million Hoover Dam job. Son Stephen Sr. won profitable govt. contracts for shipyards, pipelines WWII. Became industry goliath: Alaskan pipeline; D.C., SF subways. Stephen Jr. took over 1960, built over 40% all U.S. nuclear power plants. Oil boom brought huge Saudi Arabian contracts 1970s, including multibillion-dollar industrial city, Jubail. "The Saudi family likes dealing one dynasty to another." Top execs tapped for Reagan cabinet posts (including Shultz, Weinberger). Good times over: Revenue peak $14 billion 1983, now $4.5 billion, down 30% in last year alone. Now taking equity positions in own construction projects; planning investment in nuclear plant. Very private Sr. and Jr. control estimated 50% Bechtel Group, other investments worth at least $780 million.

Cyril Anthony Wagner Jr.

Jack Eugene Brown

Partners. Oil, investments. Midland, Tex. Formed Wagner & Brown Oil Properties 1962; sealed partnership with handshake: "We just complement each other." Huge oil holdings Texas, N.M., La., Mich., Rocky Mts.; also real estate, plastics technology. Cy: 54. Divorced, remarried; 5 children. Born Tulsa, U. of Okla.-educated geologist; the dealster. Jack: 63. Married, 3 children. Native Texan, Texas A&M-educated engineer. "Brown knows a good deal when he sees it. Wagner knows how to sell it." Joined takeover game, with raider T. Boone Pickens in failed Gulf bid 1984, pocketed $70 million; also in on Pickens' runs for Unocal, Phillips Petroleum. Went solo as "Desert Partners" 1984, long trail of

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failed takeovers since: Midcon bid rejected 1985; aborted runs at Lear Siegler 1986, GenCorp 1987; lost fight with USG Corp. 1988. Together, Cy & Jack believed worth at least $780 million. Now buying Insilco (industrial conglomerate) for $960 million: Success at last.

Roy Michael Huffington

Oil. Houston. 70. Married, 2 children. Father killed in rig accident while exploring for oil in South America. After geology Ph.D. from Harvard, Roy explored for Humble Oil (now Exxon); formed Huffco 1956. Saw Indonesian area resembled Gulf of Mexico formations; stupendous strike 1972, shared with many partners but retained 17% stake. Sold off interest in another oil co. for $40 million after bitter fight with partner; also sold off drilling interests in Gulf Coast area for reported $60 million. Both children in business: geologist daughter is VP; son made society pages with opulent 1986 wedding (daughter-in-law penned controversial new book on Picasso). Minimum net worth $390 million.

Andrew Jerrold Perenchio

Television. Bel Air, Calif. 57. Twice divorced, 3 children. Son of Fresno vintner; ran catering business to pay for UCLA. Then, talent agent; clients: Liz Taylor, Marlon Brando. Promoted Ali-Frazier fight, Billie Jean King-Bobby Riggs match. Teamed with Norman Lear 1974; sold all program interests in 1985 to Coca-Cola for $485 million. Bought Loews theaters for $160 million in 1985, sold for reported $300 million 1986. Owns $13.6 million Kirkeby estate, previous home of Beverly Hillbillies, next door to future home of President Reagan. Now self-described as semi-retired, avoids press. Believed worth over $390 million.

Robert Alfred Lurie

Real estate, inheritance. San Francisco. 59. Divorced, remarried; 4 children, 2 adopted stepchildren. Son of colorful real estate, entertainment wheeler-dealer Louis (d. 1972) who built 300 buildings, produced Broadway hits *(South Pacific, West Side Story)*, movies *(Tarzan)*. Steady caretaker father's buildings, avoids both debt and acquisitions. Passion: San Francisco (baseball) Giants purchased 1976. It's "more exciting and challenging than making real estate deals." Still fighting battle for downtown stadium while considering alternatives (e.g., Santa Clara). Low-key, cigar-chomping, hands-on businessman: signs all checks personally. Real estate, other assets believed worth at least $385 million.

Richard Alan Smith

General Cinema Corp. Chestnut Hill, Mass. 64. Married, 3 children. Father Philip founded company 1922, opened first drive-in theater 1935. Richard managed cinemas after Harvard 1946, took over after father's death 1961. Added Pepsi bottling; now over 1,300 motion picture screens. White knight for retailer Carter Hawley Hale, bought 59% of Neiman Marcus Group 1987. "We have always been driven by the search for value, not the need to build an empire." Nonmoviegoer; philanthropist, with stock alone worth $385 million. Observer: "The key to General Cinema's success is that Dick Smith is one of the best corporate managers around."

John Jeffry Louis Jr.

Inheritance. Winnetka, Ill. 63. Married, 3 children. Mother, Henrietta, a Johnson of S.C. Johnson & Son *(see also S.C. Johnson)*. Deerfield Academy; left Northwestern for Army Air Force, got wings 1945. Worked in father's advertising agency before international marketing for Johnson Wax. Venture capitalist: Combined Communications 1968; chairman until 1981 merger with Gannett. Major GOP contributor; ambassador to Britain for Reagan 1981. Not professional diplomat; resigned 1983. Director S.C. Johnson & Son, Gannett, Air Wisconsin, Baxter-Travenol. Philanthropist, golfer, amateur flier. With family's 30% S.C. Johnson & Son, other holdings, exceeds $375 million.

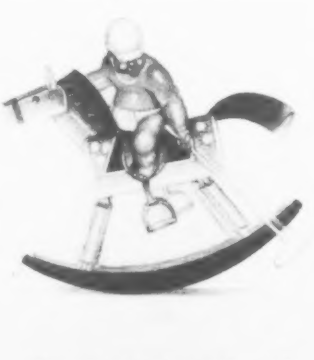
Paul Milstein

Seymour Milstein

Brothers. Real estate, investments. NYC and Scarsdale, N.Y. Seymour: 68. Married, 2 children. Paul: 66. Married, 4 children. Father Morris Milstein founded Circle Floor Co. 1919; floored NYC landmarks: Rockefeller Center, Madison Square Garden, World Trade Center. Paul headed Circle, Seymour pres. Mastic Tile Co.; both sold by early 1960s. First major development: 684-unit Dorchester Towers, NYC 1964. Paul: "Father said, 'Son, I don't think you can make it.' " Milstein Properties now owns hotels, apts., offices, etc. Seymour: "We have good real estate. I'm proud of that." Took over United Brands 1975; sold stake to Carl Lindner *(which see)* 1984, pocketed $40 million. Took over $3.4 billion Emigrant Savings Bank 1986 (an "absolute steal"). Brouhaha over NYC's Biltmore Hotel 1981: Milsteins razed landmark Palm Court lobby, built 1 million sq ft. office tower. Together, share fortune exceeding $750 million. Seymour denies: "Twenty years from now it might be worth that."

August Christopher Meyer

Broadcasting. Champaign, Ill. 87. Widowed, 1 son in business. Successful lawyer in hometown Champaign. Entered TV business by default: Invested in local TV station 1953, took over in order to rescue investment, eventually acquired. "We started out losing a lot of money. I had to get more involved than I had intended to." Bought San Diego TV station 1964 for $11 million; now worth $200 million. Midwest Television owns 3 TV, 4 radio stations, almost debt-free. Chairman of family-controlled Bank of Illinois (assets, $203 million) since 1962. Son August Jr. (Chris) running stations since 1976. With San Diego real estate, bonds, net worth estimated at least $375 million.



The youngest member of The Forbes Four Hundred is Lee Bass, 32.

Allen Eugene Paulson

Gulfstream Aerospace Corp. Savannah, Ga. 66. Twice divorced, 3 sons. Iowa farmboy took bus to San Francisco at 13 when parents' farm failed during Depression. "Nobody was poorer than I was as a kid." TWA mechanic at 19 for 30 cents/hour 1942. Formed successful aircraft conversion co. 1951; bought Gulfstream jetmaker 1978 for $52 million. Took public 1983, sold to Chrysler 1985; netted over $450 million (still CEO). Sank $50 million in Wheeling-Pittsburgh Steel Corp.; after failing to revive, sold out for $100,000 1987. "He got a $40 million tax writeoff." Collector of Thoroughbreds, southern real estate: 6 homes, 3 ranches. Estimated net worth: $375 million.

Larry Abraham Silverstein

Real estate. NYC. 57. Married, 3 children. Father Harry NYC real estate developer and investor specialized in leasing loft space; Larry, now ex-brother-in-law Bernie Mendik *(which see)*, joined 1950s, pushed into property syndication. "If we stayed in the brokerage business, we were going to starve to death." Split with Bernie 1977, bought NYC office space; controls over 10 million sq. ft. Built $300 million, 2 million sq. ft. 7 World Trade Center NYC 1986: "Our timing was absolutely perfect." Maybe, but plan to rent whole building to tenant Drexel Burnham fell through 1986; now 80% empty. Also NYC project with Mel Simon *(which see)*. Despite 7 World Trade Center, still worth over $375 million.

Mark Les Goodson

Game shows. NYC. 73. Thrice divorced, 3 children. Father opened first health food store, Berkeley, Calif., 1932. After college, successful radio announcer, but "mike fright" hit. With partner Bill Todman (d. 1979) started 1950 TV game show *What's My Line?* "I gave it 10 weeks." Later, *I've Got a Secret, To Tell the Truth, The Price is Right, Password, Family Feud,* etc. Profits plowed into newspapers, real estate. When in LA, works poolside: "I like a tan look." Paid $170 million for *New Haven Register* 1986; $155 million for Morristown (N.J.) *Daily Record* 1987. Net worth exceeds $375 million. Mark on third divorce: "The higher you go up Mount Olympus, the farther you fall."

John Charles Haas

Fritz Otto Haas

Brothers. Rohm & Haas Co. Father Otto immigrated to Philadelphia 1909 after launching German chemical business; partner Otto Rohm stayed in Germany. First product: leather tanning agent (replaced dog manure); added pesticides, coatings 1920s. Developed Plexiglas 1932. Went public 1949;

The oldest member of The Forbes Four Hundred is Iphigene Ochs Sulzberger, 96.

Rohm's stake seized in WWII for possible German ties. International business boomed in 1950s; Haas died 2 days after retiring, 1960, age 87. Sons F. Otto, John ran business during ill-fated diversification into fibers, pharmaceuticals. F. Otto retired 1970; presidency to nonfamily executive. John: Villanova, Pa. 70. Married, 5 children. Left board 1988. Chairman, William Penn Foundation; executive, Nuclear Arms Reduction. F. Otto: Ambler, Pa. 73. Widowed, 3 sons. Family holdings Rohm & Haas worth at least $740 million.

Joseph Albert Albertson

Albertson's, Inc. Boise, Idaho. 82. Married, 1 daughter. Dropped out of college (1927) for $26-a-week Safeway Stores job. Quit in 1939; with L.S. Skaggs *(which see)* pioneered grocery-drugstore with $5,000 savings, $7,500 loan. First store had magazine rack, in-house bakery "innovations." In 1941 $1 million sales; $1 billion in 1974; $5.9 billion in fiscal 1988. "I had a lot of confidence it would be successful, but it took a lot of guts." Amicable split with Skaggs 1977. Built 17-state empire of 480 stores. Still active in company as chairman, Exec. Committee: "There was a day I had to do damn near everything, but today I don't worry." Doesn't have to: his 16%-plus Albertson's exceeds $370 million.

Shelby Cullom Davis

Investment banking. Tarrytown, N.Y. 79. Married, 2 children. Graduated Princeton 1930, Columbia grad school 1931, Ph.D. pol. sci. University of Geneva 1934. CBS correspondent in Switzerland before WWII. Later ambassador to Switzerland 1969-75. Returned to U.S., bought up insurance stocks 1947 just as bull market started; learned insurance business as N.Y. superintendent of insurance 1945. Founded Shelby Cullom Davis Co. 1947, one of the first to specialize in insurance stocks. Currently chairman Heritage Foundation, National Right to Work, conservative causes. Avid skier with wife, grandchildren. Estimated net worth $370 million.

The youngest member of The Forbes Four Hundred whose fortune is self-made is William Gates, 32.

Patrick Joseph McGovern

Publishing. Nashua, N.H. 51. Divorced, remarried; 2 children. Son of Philadelphia construction manager; in tenth grade built machine to play Tic-Tac-Toe. Won MIT scholarship, edited early computer magazine. Did computer-related market research; founded IDG with $5,000 1964. Now $400 million sales with more than 100 computer publications worldwide, including flagship *Computerworld.* Reviews carry much industry clout. Laid-back manager: "If you have the right people, all you have to do is meet once a year and say, 'How did it go?' " Flies coach, lives modestly: "Living ostentatiously means just putting other people down." His 80% IDG, investments worth estimated $370 million.

Gordon Earle Moore

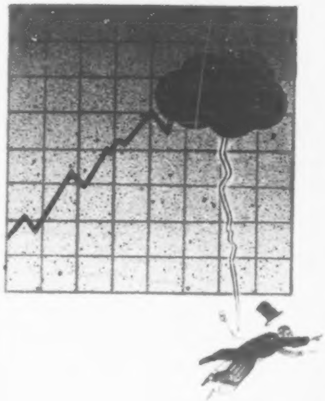
Intel Corp. Santa Clara County, Calif. 59. Married, 2 children. Deputy sheriff's son; after chemistry Ph.D. from California Institute of Technology got in on ground floor Shockley Semiconductor Lab 1956; left with colleagues to form Fairchild Semiconductor Corp. 1957: first commercial integrated circuit. Founded Intel Corp. 1968, pioneered memory chips, microprocessors. Now leads industry; 1987 revenues $1.9 billion. Management style considered one of nation's best. Stepped down as chief executive officer 1987; still chairman involved in research, development. His Intel stock worth more than $370 million. "It was not part of a well-conceived plan; I'm lucky if I can plan as far ahead as next week."

An Wang

Wang Laboratories. Lincoln, Mass. 68. Married; 2 sons, 1 daughter. Born Shanghai; studied engineering Chiao Tung University. Selected by Chiang Kai-shek to study in America, earned Harvard physics doctorate in three years. Invented pulse controller at age 28: forerunner of magnetic core memory, sparked use of computers; sold to IBM. Began Wang Laboratories 1951. Developed first simplified logarithmic calculator, early word-processing system. Recently recovered from industry slump, introduced new integrated imaging system 1987. Established investment banking subsidiary with $50 million venture capital. Modest, practical. Tennis buff. Son Frederick, 38, president: "Wang is rich with vision, and it is my job to implement." Stock is worth around $365 million.

Anne Burnett Marion

Inheritance. Fort Worth. 49. Thrice divorced, remarried (to Sotheby's John Marion); 1 daughter. Great-grandfather Samuel Burk Burnett, Chisholm Trail driver. Legend: won ranch in poker game (called it Four Sixes Ranch); amassed 448,000 acres W. Texas. Mother expanded fortune via oil, marriages; fourth hitch, to Tandy Corp. founder Charles Tandy, front page news in Fort Worth 1969. "They should have gotten Justice Dept. approval." Daughter Anne inherited 1980; directs $190 million Tandy Foundation. Lives in I.M.



The fortunes on The Forbes Four Hundred listing for 1987 that declined the most, in dollar terms, during last year's stock market crash had fared as follows by Aug. 30:

(millions)	23 Oct. '87	30 Aug. '88
Walton	$5,900	$6,700
Arison	$1,080	$1,400
Hewlett	$1,020	$1,060
Kauffman	$906	$635
Kerkorian	$575	$780
Magness	$290	$372
Murdoch	$1,100	$1,080
Packard	$1,960	$2,000
Petrie	$855	$472
Speer	$259	$136
Wexner	$1,050	$1,000

Pei-designed home; avid outdoorswoman, hunts quail in Jeep. Latest divorce won't affect net worth, which should be over $360 million. Lawyer: "There is such a thing as a prenuptial agreement."

Maurice Raymond Greenberg

Mansfield Freeman

American International Group. NYC. AIG founded Shanghai 1919 by C.V. Starr (d. 1968), first Westerner selling insurance to Chinese. Built intl. conglomerate; no heirs. Large block AIG shares, other investments in private holding companies controlled by key executives; control passes to their designated successors—in effect, inherited by top management. Same fraternity controls 400-acre Starr estate (N.Y.), Vt. ski area, country club. Greenberg: NYC. 63. Married, 4 children. Raised on N.Y. State dairy farm. Army, WWII and Korea; law school on G.I. bill. Chance interview led "Hank" to insurance, joined AIG 1960. President, CEO 1967. Stock, other investments estimated at $360 million. Freeman: Greensboro, Vt. 93. Widowed, 1 son. Joined Starr year after founding; left China 1941, retired 1960: "You start a company just to make a living, then suddenly it blossoms and you get new ideas." Son Houghton, senior VP at AIG, votes shares. Stock, other holdings worth at least $240 million.

James LeVoy Sorenson

Medical devices. Salt Lake City. 67. Married, 8 children (all professionals) in business. Worked in fruit cannery to support family at 14. Accepted at medical school ("The more of a specialist you become, the less chance you have of becoming an entrepreneur"), but called to Mormon missionary work instead. Worked at Upjohn; began developing medical devices late 1950s, hit big with disposable catheter, sold out 1960. Started Sorenson Research 1972; sold for $100 million in Abbott Labs stock 1980. Now Sorenson Development: 3-D imaging for medical, recreational uses; real estate, etc. Worth at least $360 million.

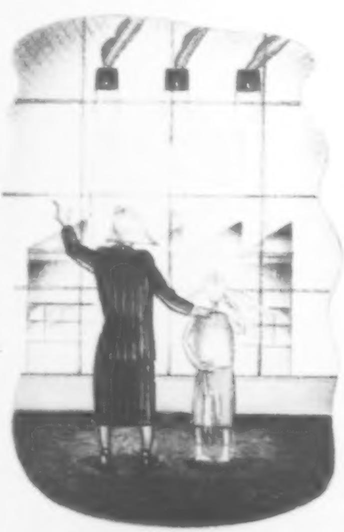
John William Berry Jr.

Yellow Pages. Dayton. 66. Twice divorced, remarried; 5 sons. Son of Loren M. Berry, who at age 8 sold horseradish for 5 cents per glass to help support family. Briefly sold phone book ads in Indiana; moved to Dayton 1910 with $200, talked Dayton Home Telephone Co. into letting him handle its ad sales using paper of one color. "Mr. Yellow Pages" died 1980 at 91. John Sr. took over, bought out siblings; expanded co. Sold L.M. Berry & Co. for estimated $335 million in BellSouth stock 1986, retired 1987. Now chairman Berry Investments Inc., includes hunting supply co., security device firm, other investments. Son John Berry Jr., CEO of L.M. Berry—separate from BellSouth. Net worth at least $360 million.

Witton Robert Stephens

Jackson Thomas Stephens

Brothers. Investment banking. Little Rock, Ark. Witt: 81. Widowed, remarried; 3 children. Jack: 65. Divorced, remarried; 5 children. Witt peddled belt buckles, Bibles. Switched to buying municipal bonds low, selling high, 1933. Became kingpin Arkansas politics; Jack (Annapolis roommate of Jimmy Carter) grew Stephens Inc. into largest investment house off Wall



40 members of The Forbes Four Hundred are women.

Street (took public Wal-Mart, Tyson Foods; *see Walton, Tyson*). Diversified: oil and gas, real estate, high tech (48% Systematics, Inc.), banking. Bought 31.2% of troubled Worthen Banking Corp. Also Far East interests; sometime partners with Indonesian father-and-son team Mochtar and James T. Riady. Witt now less active. Jack, chairman, cutting deals in Asia, Europe; Jack's son Warren, 31, CEO, building Stephens Inc. into national presence. Observer: "Warren wants to make money for the firm, but [not] by riskier ventures." Split into Stephens Inc. (investment banking) and Stephens Group (family interests); combined capital over $500 million. Hurt by crash, publicity of firm's futures trader's committing suicide three days after dismissal; talk of embezzlement. Brothers still share fortune exceeding $700 million.

Grover Connell

Food, equipment, leasing. Westfield, N.J. 70. Married; 3 children, 2 in business. Took over family's Connell Rice & Sugar 1950, after WWII Navy hitch, built into nation's biggest independent broker/trader in rice, sugar. Handles much of government's foreign-aid rice crop. Expanded into booming equipment leasing business 1973, now more than half his business. Over $600 million in owned equipment; "We do a lot of big deals." Combined revenues exceed $1 billion. Developing 170 acres commercial real estate in N.J. Lives modestly, ranch-style home. Well-wired Democrat. Net worth believed over $350 million.

Jane B. Engelhard

Inheritance. Far Hills, N.J. 70. Twice widowed, 5 daughters. Father Brazilian diplomat; family left war-torn Europe 1940 for Buenos Aires with "nothing except our passports and our personal belongings." Second husband "Platinum King" Charles Engelhard Jr., who built $20 million precious metals business into estimated $300 million estate; died 1971, most left to wife. Collects rare books, documents, including Louisiana Purchase Proclamation and unpublished autobiography of George Washington. Shuns publicity: "She doesn't care for parties." Including trusts, controls fortune believed to exceed $350 million.

Frederik G.H. Meijer

Retailing. Grand Rapids, Mich. 69. Married, 3 children. Grandfather Hendrik, after frantic Depression search for tenant for vacant storefront, opened own food store as last resort. Fred, "merchandising genius" to peers, considered shrewd buyer, shrewd marketer, watcher of every detail. "Shoppers don't like to wait in line"; Meijer's has an inordinate number of checkout counters. Even local union head admits, "This is a fair company." Payoff: above-average profit margin financing expansion. Meijer, Inc. estimated $2 billion in sales, close to 50 stores (generally part grocery, part discount department); owns warehouses, shipping. Fred denies, but net worth at least genius class $350 million.

Nan Tucker McEvoy

Publishing. San Francisco. 69. Divorced, 1 son. Granddaughter of Michel H. de Young (d. 1925), controversial founder *San Francisco Chronicle*. Nan former journalist, Peace Corps administrator, abortion clinic founder; inherited largest share of Chronicle Publishing this year from mother and family matriarch Phyllis de Young Tucker, last of Michael's children *(see de Young family)*. Gave some shares to son: "You hate to have them think, 'Well, when will good old mother die.' " At first unsure of financial savvy, now confident she can run business, keep co. in family control. "It's a wonderful property, and the family is lucky to own it." Her share worth over $350 million.

James R. Cargill

Margaret Cargill

Inheritance. Brother and sister. Cargill, Inc. Grandchildren of William W. Cargill (d. 1909), founder of food-processing giant *(see Cargill/MacMillan family: also individual MacMillans, Keinath, Pictet)*. James: Minneapolis. 65. Married, 3 children. With company since 1947, now senior VP, director. Said to concentrate on personal business affairs, e.g., Dinnaken Properties, small real estate venture. Expert trout fisherman. Margaret: La Jolla, Calif. 68. Extremely private. Little known. Together, thought to own their family branch's 25% Cargill stock, worth at least $700 million.

154 members of The Forbes Four Hundred control fortunes that were mostly or entirely inherited.

Ernest Gallo

Julio R. Gallo

Brothers. Wine. Modesto, Calif. 79, 77. Each married, 2 children. Italian immigrant father Joseph bought 230-acre Modesto vineyard; Depression all but wiped him out. Brothers went to local public library to find out how to make wine, started with $5,900. A billion dollars later (estimated 1987 Gallo revenues), smiling Julio still squeezes the grapes, unsmiling Ernest pinches the pennies. First major success: Thunderbird (connoisseurs reject, winos don't). Constant effort since to upgrade product, image. Gaining share in premium and "superpremium" ($8/bottle and up, retail) wines. Chairman Ernest considered "intuitive marketing genius." Sales recruits get 300-page training manual. Ad budget 1987 estimated $70 million. Tardy entry 1985 (Bartles & Jaymes) in cooler market took top spot in just six months, lost momentum 1987; market share dropping. Brothers got estate tax change known as Gallo Amendment. Brother Joseph from same tough mold: Ernest and Julio sued for putting family name on cheese business; he countersued for third of winery (suit thrown out). Company alone worth $700 million; Ernest believed also to hold large personal portfolio.

William Barron Hilton

Hilton Hotels. Los Angeles. 61. Married, 8 children. Happy-go-lucky son of hotel magnate Conrad Hilton. "Barron" turned down Hilton job for Calif. fruit distributor 1950s (Hilton Hotels didn't pay enough); also formed Air Finance Corp. aircraft leasing firm. Joined Hilton as VP 1954, pres. 1966; pushed entry into casinos, spent over $1 billion on face-lifts for older hotels. Founded San Diego Chargers (football) 1960. Plays bridge; flies gliders, stunt planes; palatial home featured in TV series *The Colbys*. Recently won 8-year dispute over his option to buy huge stock block left to Catholic nuns by father (d. 1979). After settlement, stock worth at least $350 million.

Frank James Pasquerilla

Real estate, dept. stores. Johnstown, Pa. 62. Married, 2 children, both in business. Father, immigrant coal miner, died of black lung disease when Frank was 18. Clerk for small masonry co. In 5 years, pres.; later, sole owner. Built first mall 1960. Crown American now 31 million sq. ft. in 28 malls, 8 smaller shopping centers; 14 hotels. Headquarters and hotel damaged in 1977 Johnstown flood. Bought 17 Hess's dept. stores for $35 million 1979. Aggressively expanding; now 73 stores, some captive anchors for new malls. Equity estimated $350 million. Building new $27 million corp. HQ on same flood plain: "Johnstown has always been and will always be my home."

Lawrence Arthur Wien

Law, real estate. NYC. 83. Widowed, remarried; 2 daughters. Son of wealthy NYC silk cloth maker. After Columbia U. Law founded law firm 1929. With partners bought Harlem apt. house for $8,000 1931; pioneered real estate syndication but "I'm a lawyer, not a real estate man." Teamed with Harry Helmsley *(which see)* on many projects, "the Rodgers and Hammerstein of real estate." Harry scouted properties, Larry roped cash. Balked when Harry went into hotels: "As a result, Harry became far wealthier than I." Still owns big chunk Empire State Building, other NYC buildings. Golfs with "a great deal of ineffectuality." Believed worth at least $350 million.

224 members of The Forbes Four Hundred built their fortunes without any significant inheritances.

Alfred Mack Pogue

Real estate. Dallas. 54. Married, 3 children. "Mack" born Sulfur Springs, Tex.; erstwhile high school football coach. Became Dallas real estate broker 1960s; met Trammell Crow *(which see)* 1965, formed Lincoln Property Co. to build garden apartments. "I was trained by the master." Bought out "master" for $150 million 1977, began building offices, warehouses. "Pogue's chicken formula": trade equity for cash. "We put no cash in our deals. None." Lincoln now nationwide building giant: owns 83,000 apartments, over 54 million sq. ft. commercial space. Mack's estimated 25% worth at least $350 million. "We all get up every day—*every day*—and do our real estate deals."

Franklin Parsons Perdue

Chickens. Salisbury, Md. 68. Twice divorced, 4 children. Grade school egg peddler at father's hatchery; then to teachers college hoping to play big-league baseball. After disease wiped out dad's leghorns 1940s, switched to then-new broiler business; by 1968 A.W. Perdue & Son fully integrated: feed, processing, etc. Private Perdue Farms now nation's 4th-largest chicken outfit, sales over $1 billion. Frank "the Pierre Cardin of Poultry," Ed Koch look-alike, squeaky-voiced pitchman: "Is your husband a leg or breast man?" Met with NYC mob big Paul Castellano to block union drive 1980; retired as Perdue CEO 1988, still chairman. Industry down, but Frank's 90% (with family) worth at least $350 million.

Robert William Galvin

Motorola. Barrington Hills, Ill. 66. Married, 4 children. Father, Paul Galvin (d. 1959), started manufacturing car radios 1928, walkie-talkies WWII. Robert groomed for business from childhood; pres. 1956. Chairman since 1964, sold off traditional products (TV manufacturing sold 1974, built last car radio 1984). Became leading manufacturer radio and data communications, semiconductors and information systems. World leader in cellular telephones. "We have tremendous momentum and are way up on the learning curve." Son Christopher, 38, named chief corporate staff officer 1987. Controls 6.2% of company worth $350 million.

Jack Parker

Real estate. NYC and Boca Raton, Fla. 73. Married, 2 children. Son of blousemaker joined uncle's wrecking business during Depression; later, as lumber salesman, bit by building bug. Founded Parker Construction Co. 1955: "When I went into business, I went into it on my own. That takes guts." Built apts. NYC's Queens 1950s, Manhattan apts. 1960s; heavy co-oper, estimated $150 million in conversion profits over 20 years. Built Hotel Parker Meridien 1981; his hotel office nameplate: "Jack Parker—Owns the whole shebang." Shebang, other assets, worth at least $350 million. Jack: "It's a crapshoot. You bet your money on the future, and you hope your vision is correct."

Joseph Alexander Hardy

Building supplies. Pittsburgh, Pa. 65. Married, 5 children. Worked in father's jewelry store, sold vegetables to pay for college. With Ryan Homes founder Ed Ryan, 2 brothers, founded Green Hills Lumber Co. 1952. Founded own 84 Lumber store 1957 with $20,000; adopted no-frills approach of Wickes Cos.' stores: no advertising, "Quonset hut" buildings (no heat/AC), mostly cash and carry. Private 84 Lumber Co. now 385 stores, over $900 million sales; modernizing with store renovation, outside volume selling, credit. "Associates" work 60-hour weeks, vie for corny sales awards ("Top Gun," "Rookie of the Year"). Joe worth over $350 million, smokes only imported cigars.

Edwin Lochridge Cox Jr.

Oil. Dallas. 66. Widowed; 2 sons, 1 daughter. Born, reared Mena, Ark.; moved to Texas and oil 1946. Became one of nation's largest independent oilmen; production in Tex., La., Okla., Colo. through Cox Oil Co. Onetime chairman Sedco, cookiemaker Keebler; founding director InterFirst Corp. (now First RepublicBank Corp). Son Ed Jr. built $3.6 billion (sales) agribusiness empire (Val-Agri, Swift meatpackers, others) 1985-87; crashed with $78 million InterFirst loan default 1986 (since paid), cos. sold off; Ed Jr. drew 6 mos. jail. Banker: "The Coxes have been perceived as being richer than God." Not quite, but Ed Sr. still believed worth at least $350 million.

William Alfred Cook

Catheters. Bloomington, Ind. 57. Married, 1 son. Illinois boy; drove cab as Northwestern undergrad 1950s. Lasted 1 week Wash. U. premed; sold medical supplies Chicago. At wife's behest packed Corvair 1963, moved to Bloomington; with $1,500 bought soldering iron, blowtorch, plastic tubing, made then-new cardiovascular catheters. Private Cook Group, Inc. now $250 million sales, over 10% net profit; one of largest-volume U.S. catheter producers (also pacemakers, syringes, etc.). After bypass surgery 1974 quit smoking, dropped 90 lbs.; now fitness nut. Cook denies, but with real estate, insurance, worth well over $350 million. "I was just looking for a way to make a living so I could live in Indiana."

Among members of The Forbes Four Hundred, those whose fortunes are primarily inherited have an average estimated net worth of at least $583 million. Those whose fortunes include little or no inheritance average at least $517 million.

Gary Campbell Comer

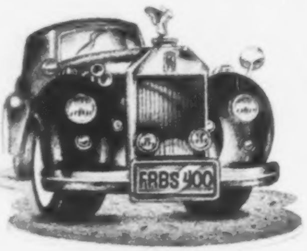
Lands' End. Chicago. 60. Married, 2 children. Award-winning copywriter for Young & Rubicam 1952-62. Started as salesman for sailmaking company. Avid sailor; competed 1968 Olympic trials. Founded Lands' End, mail-order catalog for sailing supplies and accessories, 1963. "Award-winning" copy in catalogs spurred initial growth. Small clothing section made big bucks: added traditional apparel, sailing items eliminated by 1977. Company features polite operators, entertaining catalog; Comer: "I treat customers the way I want to be treated." Went public 1986. Shy, unpretentious. With 52% Lands' End stock, other assets, worth well over $350 million.

Max Martin Fisher

Oil, investments. Detroit, NYC, Palm Beach. 80. Widowed, remarried; 5 children. Son of Russian immigrant peddler. Football scholarship to Ohio State 1926. Started at father's tiny oil reclaiming plant, $15 a week. Swung new refinery, fully integrated firm: Aurora. Acquired Speedway 79 gas stations 1947. Sold Aurora to Marathon Oil for stock 1959, tendered to U.S. Steel 1982 for about $200 million. Many real estate investments, some with buddy Al Taubman *(which see)*: Irvine Ranch deal; holds 11.5% stake Sotheby's. Half of income to charity; Israel supporter. Helped raise $1 million for Bush primary campaign. "You can't please everybody in this world." Worth over $340 million.

Anthony Martin Pilaro

Duty Free Shoppers. Southampton, N.Y. 52. Married, 2 sons. Born NYC, University of Virginia undergrad and law school 1960. Worked for Nassau-based Butlers Bank 1960s. Met future fugitive Robert Vesco while at Butlers; became consultant to Vesco after latter's successful takeover of Bernie Cornfeld's Investors Overseas Services early 1970s. Early investor with Charles Feeney *(which see)* in Duty Free Shoppers, estimated $2 billion



The states with the largest concentrations of members of The Forbes Four Hundred are:

New York, 82
California, 62
Texas, 36
Illinois, 22
Florida, 18
Pennsylvania, 15
Massachusetts, 12
Ohio, 11
Michigan, 10
Minnesota, 10

(sales) duty-free retailer. Highly secretive; has Swiss chalet; Southampton, NYC homes. Also owns at least 10% Duty Free Shoppers, may own more. Pilaro fortune believed worth over $340 million.

Seymour B. Durst

Royal H. Durst

David M. Durst

Brothers. Real estate. Father Joseph emigrated from Austria 1902; founded Durst Organization 1915 to manage Manhattan properties. Sons shifted emphasis from residential to office space 1940s ("and we're very happy we did"); built several Third Ave. office buildings 1950s, moved over to Sixth Ave. 1960s. Durst Organization now owns about 4.5 million sq. ft. midtown NYC office space, also 275,000 sq. ft. prime land in midtown. Seymour: "Times Square is like the Bermuda Triangle—investments made there are never heard from again." Seymour: NYC. 75. Widowed, 4 children. Heads Durst Organization. "We're land assemblers." Royal: Westchester Cty., N.Y. 69. Married, 3 children. David: Chappaqua, N.Y. 63. Married, 5 children. Brothers share fortune estimated at least $1.02 billion.

Bernard H. Mendik

Real estate. NYC. 59. Divorced, remarried; 3 children by first wife, 1 son by second. Born Scotland; raised Depression-era South Bronx, son of handyman. Bernie peddled glassware through New York Law School; with now ex-brother-in-law Larry Silverstein *(which see)*, began syndicating buildings 1957. Split 1977, still partner in some buildings. Now buys, rehabs Manhattan office space; Mendik partnerships control some 12 million sq. ft. NYC office space. Raised $200 million through E.F. Hutton fund for office purchases: "We spent it all." Also projects Connecticut; Westchester County, N.Y. "It's pretty hard to do any deals in NYC anymore." Bernard worth at least $340 million.

William Arthur Fickling Jr.

Charter Medical Corp. Macon, Ga. 56. Married, 4 children. Eagle Scout; attended Auburn University on basketball scholarship; graduated cum laude. Stint in Air Force as guided-missile officer, then "worked for my daddy." Spun off Charter Medical from father's real estate firm 1969. Began with nursing homes, switched to hospitals. Now nation's largest provider psychiatric health care; "a lean company with a central directive to do one thing and do it well." Owns, operates 13 acute-care facilities, 69 psychiatric hospitals U.S., Switzerland, London. Led $1.1 billion buyout of company in September. Fickling fortune believed worth $340 million.

Robert Einar Petersen

Publishing. Beverly Hills. 62. Married. Auto mechanic's son; hit on plan to turn hobby into magazine. With $400 and partner put together *Hot Rod;* hawked for 25 cents at races 1947. Bought out partner 1950; Petersen Publishing now 14 monthlies *(Motor Trend, Guns & Ammo, Skin Diver)*, 11 bimonthlies. Just acquired *Sport* magazine. "We're a good medium for a lot of what advertising is: beer, cigarettes, cars, all those good things." First to bag polar bear with revolver 1965. "It was shoot or be fatally mangled." Pursues all activities his magazines cover: "Except for *Teen.*" Tends Beverly Hills Western art gallery. Magazines, real estate, art worth at least $340 million.

Charles Allen Jr.

Herbert Allen

Herbert Anthony Allen

Stock market, real estate. NYC. Charles: 85. Divorced, remarried; 3 children by first marriage. Brother Herbert: 80. Widowed, remarried; 1 daughter, 1 son. Charlie reared in Manhattan cold-water flat, quit high school at 15, started bond trading at 19 with $1,000, 2 phones. Brought in Herb 1928. Lost first million in Crash. Herb's deft Depression trading kept Allen & Co. going. Since 1930s, bets on unlikely firms paid off in spades: Herb (now semiretired) put $3 million in Benguet Mining, yielded over $45 million; Charlie's $1 million in Syntex 1958 now about $250 million.

STATE LINE
STATE LINE

12 states have no residents who are members of The Forbes Four Hundred.

Charlie: "I have hunches." Invested heavily in Chicago, Kansas City real estate with Arthur Rubloff. Herb's son Herbert A.: 47. Divorced, remarried; 4 children. Joined firm 1962; defied father's advice buying 6% Columbia Pictures 1973; raked in $40 million on 1982 sale to Coca-Cola. Expanded into underwriting (including Coca-Cola Enterprises), investment banking (steady client: Rupert Murdoch, *which see*). Allen & Co. secretive, active. Reportedly raised stake in new Columbia Pictures Entertainment. Herbert A.: "We're long-term speculators." Family donated $15 million to NYC's Columbia-Presbyterian Hospital. With stakes in over 200 companies, real estate, shared fortune at least $1 billion.

Harry Howard Hoiles

Mary Jane Hoiles Hardie

Brother and sister. Publishing. Children of Raymond C. Hoiles (d. 1970), $2/week printer's assistant bought Bucyrus (Ohio) *Telegraph-Forum* 1927, *Santa Ana Register* 1935. Freedom Newspapers now 29 dailies, 3 weeklies, 5 TV stations. Chose company name "because freedom will live on forever, and the Hoiles name will be forgotten in a short time." Spread libertarian philosophy: opposed taxes, public schools, etc.; escaped two bombing attempts. Three children inherited, son Clarence headed until 1981; death led to family dispute. Harry: Santa Ana. 72. Married, 3 children. Longtime publisher *Colorado Springs Gazette Telegraph*, sued for control 1982, offered to buy outright for $1.01 billion 1985. Mary Jane: Marysville, Calif. 66. Married, 4 children. Harry still fighting but Freedom Chairman Robert Hardie (Jane's husband), Clarence's heirs unwilling to split up chain. Each branch holds one-third; combined worth at least $1 billion. "Nobody can hate each other the way families can."

Thomas Mellon Evans

Investments. NYC. 78. Divorced, widowed, remarried; 3 children by first marriage. Graduated Yale; introduced to business by distant relative, Gulf Oil boss W.L. Mellon; career as acquirer of undermanaged companies. Turnarounds include bankrupt H.K. Porter 1938, Crane Co. from 1959; over 80 others. Relishes current era: "Takeovers weren't respectable. Now they are." Resigned as head of Crane following losing battle with board, son Shell; Shell now heads. Sold his 22% Macmillan stock against son Edward's pleas; Edward still head Macmillan. Retains control H.K. Porter, major holdings Crane, Fansteel, etc.; horses, bonds, art. Thomas' net worth estimated at least $330 million.

The metropolitan areas with most resident members of The Forbes Four Hundred are:

New York City, 79
Los Angeles, 33
Dallas/Fort Worth, 21
Chicago, 20
San Francisco Bay area, 18
Washington, D.C., 12
Boston, 10
Detroit, 9
Houston, 9
Minneapolis, 9
Seattle, 9
Philadelphia, 8

Hugh Franklin Culverhouse

Real estate, banking, football. Tampa. 69. Married, 2 children. Son of coal mining engineer; encouraged to study accounting, law. IRS prosecutor, then premier tax attorney; clients including Richard Nixon. Paid $12 million for Palmer Ranch, 11,500 prime Sarasota acres 1970; sold half for $35 million 1981; developing. Also 5,300 acres citrus, other Florida real estate. Lost third takeover attempt Florida Commercial Banks, but $22 million profit. Trying again with $71.9 million purchase Coast Federal S&L 1987; awaiting federal approval. Awarded NFL expansion Tampa Bay Bucs 1974; dubbed "Pinstripe Rambo" for efforts to break strike last year. Net worth at least $330 million.

Donald John Tyson

Barbara Tyson

Tyson Foods. Brother, sister-in-law. Fifth-generation farming family started Tyson Feed & Hatchery 1947. Changed name to Tyson Foods Inc.; went public 1963. Family plagued with tragedy: Don took over when parents died in auto accident 1966; Barbara inherited when husband Randal accidentally choked to death 1986. Aggressive acquisition, innovation put company past $1 billion mark 1985; nearly doubled by 1987: $1.8 billion. Nation's leading chicken outfit; also hogs, frozen Mexican food. Nearly all execs must wear khakis. "If we all wore suits we'd sit here in the office, and we don't make money in here. We make it out in the field." Don: Springdale, Ark. 58. Married, 3 children. Barbara: Fayetteville, Ark. Widowed, no children. Don worth over $330 million, Barbara over $265 million.

Stanley Stub Hubbard

Broadcasting. St. Mary's Point, Minn. 55. Married, 5 children. Father Stanley Eugene, 91, founded nation's first (but unsuccessful) commercial airline. Built one of Minneapolis' first radio stations 1923 (WAMD—"Where All Minneapolis Dances), added TV 1948. Son Stanley Stub took over 1981 after Dad's stroke; Hubbard Broadcasting now 6 TV, 2 radio stations. Pioneering satellite TV: owns transponders; satellite news service with over 100 member stations; satellite-borne program distributor USTV. Believes pay satellite will replace cable: "The best buy in communications in the next decade." His fortune, in trusts, worth at least $330 million.

Bennett Stephen LeBow

Buyouts. Saddle River, N.J. 50. Married, 2 daughters. Graduated Drexel U., then on to Pentagon job. Founded computer concern DSI Systems 1967. Almost went under, but "Ben" learned art of turnaround. Hit big time with lightning speed. Paid Asher Edelman $101 million for cast-off computer unit 1985; took public 1986, his 54% MAI Basic Four recently worth $160 million. Snared Liggett & Meyers Tobacco for $137 million 1986; took public, lost first-ever cancer suit; eyeing American Brands. Doesn't smoke: "It was strictly business." Leading Western Union turnaround, has one share that becomes 100 million when WU shows profits. Yachtsman, scuba diver worth $330 million.

Jerome Spiegel Kohlberg Jr.

Henry R. Kravis

George R. Roberts

Partners, leveraged buyouts. Three dealmakers left Bear, Stearns for own firm 1976; prowled for undervalued companies to buy with "junk" bond leverage. Stunned Wall Street repeatedly with first buyout of Big Board firm (Houdaille Industries for $355 million 1979), first $1 billion deal (Wometco 1984), largest LBO ever (Beatrice for $8.4 billion 1986). Total purchase price on over 30 deals to date: $35 billion. Firm collects 1% investment banking fee, 20% of profits when sold, 1.5% management fee on KKR investor fund (now $5.6 billion). Jerry: Mt. Kisco, N.Y. 63. Married, 4 children. New York-born lawyer, Harvard M.B.A. "Patriarch" left group 1987 for own firm, still KKR limited partner: "I'll stick with the deals where reason prevails." Henry: NYC. 44. Divorced, remarried; 3 children. Son of Tulsa oil geologist, first cousin of Roberts. High-profile giver, eats up NYC social scene (Met, ballet boards). On one deal: "We wanted the public to feel KKR wasn't in it for the last dime and screwed them." George: San Francisco. 45. Married, 3 children. Hates NYC, runs SF office with brother-in-law Robert MacDonnell. After allowance for lesser partners, their portions of KKR, even without last dime, now believed worth at least $330 million each.

Henry John Heinz III

H.J. Heinz Co. 50. Fox Chapel, Pa.; Washington, D.C. Married, 3 children. Great-grandfather H.J. Heinz bottled, sold horseradish Sharpsburg, Pa. 1869. Heinz & Noble founded 1869 with partner: went under. Re-emerged 1888 as H.J. Heinz Co., became condiment king, food giant (Weight Watchers, Star-Kist, Bumble Bee, Ore-Ida brands). Serves more than 100 countries and territories; fiscal 1988 sales $5.2 billion. H.J. Heinz II

WHY RENT A MEETING ROOM

(d. 1987) disbursed $300 million of family fortune to charities. H.J. III two-term Republican Pa. senator. Yale 1960, Harvard M.B.A. Headed Pa. delegation to GOP Convention 1988. Legislated mandatory retirement age repeal, private pension reform, parts of 1988 trade bill. His Heinz stock, other investments, worth $330 million.

Leonard Maximilian Marx

Real estate. Scarsdale, N.Y. 84. Married, 3 children. Yalie brokered properties for chain stores 1920s, later shopping centers. Began building malls nationwide; now over 200 centers, building 1 or 2 per year. Few properties in Marx name; little debt: "We lose our own money." Made executives rich by giving small equity pieces: "Biggest mistake I ever made. They'd quit, move to Palm Springs and come in wearing sports shirts and laugh at me." Also NYC properties; son, daughter in business. Plays "high caliber" bridge with Larry Tisch, Milt Petrie *(see both)*; swims twice a day. "I don't know how much I'm worth and I don't give a damn." Estimated at least $330 million.

84 members of The Forbes Four Hundred are immigrants.

Ian Woodner

Real estate, art. NYC. 85. Divorced, 2 children. Harvard-educated architect. Under Robert Moses, designed Central Park Zoo, N.Y. World's Fair buildings 1939. First apt. project 1943: 110 units Wilmington, Del.; then low-income, FHA-financed D.C. project: "No one wanted to build low-cost housing for black people. So we did." His Jonathan Woodner Co. now 3,500 units New York, 1,400 D.C., etc. Collects art: master drawings collection tours worldwide; accomplished painter. "If I didn't collect art, I'd be a tycoon." Son Jonathan died in plane crash 1988. "Big" Woodner worth over $330 million, art alone estimated $125 million. "If you're going to be in real estate, plan to live a long time."

Lawrence J. Ellison

Oracle Corp. Atherton, Calif. 44. Divorced, 2 children. U. of Chicago; M.S., physics. Started as pro-

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grammer, Amdahl; systems designer, Ampex. With $1,200 founded Oracle 1977, tiny office in Santa Clara, with Ampex boss Bob Miner. Learned from published IBM paper about Sequel, language for database management, beat IBM in marketing the product. Sales skyrocketed. Occasionally rides bike to work, endures 60-hour week; success credited to "exceptional people." Side investments mostly high-tech stocks, but has shares in cake co. "If there is a downturn in technology, people will still be eating cake." Stock worth $330 million.

Richard Louis Duchossois

Manufacturing, media. Barrington Hills, Ill. 67. Widower; 2 daughters, 2 sons in business. After Army WWII, joined father-in-law's small Thrall RR equipment manufacturing firm. Anticipating railroads' decline, diversified into ordnance, etc. as Duchossois Industries (sales over $700 million). Thrall still leading freight-car maker; also owns largest maker garage door openers, 7 radio stations, 1 TV station. Separately owns Hill 'n' Dale horse-breeding farm. Bought Arlington Park racetrack 1984; (it burned 1985); plans 1989 reopening. Bought Quad City Downs track this year reportedly for $5 million. Net worth at least $325 million.

At least 26 members of The Forbes Four Hundred own 30% or more of at least one professional football, baseball or basketball team.

Sydney Mark Taper

First Charter Financial Corp. Los Angeles. 87. Widowed, 3 children. Born in Warsaw, educated England. Peddled candy to classmates, real estate to British during Depression. Worked in real estate development in London area; end run around WWII: came to California 1939 with about $1.5 million in capital. Built GI housing, went into thrift business; founded First Charter Corp. 1955. Very demanding, tough boss. Thrifty: "In England we despised waste. Waste was evil." First Charter became third-largest S&L in U.S.; merged with Financial Corp. of America 1983. Mark's share: $285 million. With return, investments, net worth now estimated at least $325 million.

Austin Edward Guirlinger

Modular homes. Columbus, Ohio. 62. Married, 5 children. Worked night shift on GM assembly line 1940s, decided to apply mass production to home building. Founded Cardinal Industries in his garage 1954, made housing components. Began making basic 12-by-24-foot modules 1970. Used for apts., then motels, retirement villages, etc. Cardinal now nation's 2nd-largest residential builder: 53,000 apts., 18,000-room Knights Inn chain; $700 million revenues. Totally integrated: buys land; installs, rents, manages modules; finds or sets up investor partnerships; finances the whole thing. "I'm a great believer in controlling your own destiny." His 98% Cardinal worth estimated $325 million.

James Lawrence Walton

Wal-Mart Stores. Bentonville, Ark. 66. Divorced, 2 daughters. Operated small five-and-ten store in Missouri. Joined older brother Sam *(which see)*, whose merchandising concept of large discount stores in rural towns took off. Brothers expanded chain to 16 stores in next 10 years, became Wal-Mart 1962. Mastered logistics of supplying, managing large chain; went large scale: now 1,200 Wal-Mart stores, 1988 sales $15.9 billion. James (Bud) low profile, quiet, ran real estate. Now: Senior VP gone fishin'; prefers solitude of fisherman's boat in Venezuela, Alaska, etc. to Bentonville headquarters. His 10.3 million shares of Wal-Mart stock worth about $320 million.

Paul Fireman

Reebok International Ltd. Newton, Mass. 44. Married, 3 children. Ran family's wholesale sporting goods business. Searched for new business; found Reebok, 80-year-old British shoe co.; established Reebok U.S.A. 1979. Bought out parent company 1985. Fireman's idea: athletic shoes for aerobics. "There was a social change going on that nobody had noticed." 1987 sales, $1.4 billion. "We combine a little risk with a lot of study and preparation." Bought shoe companies. Rockport 1986, Avia and John A. Frye 1987, Ellesse USA 1988. Pro-human-rights Reebok spent $10 million on Amnesty International concert tour 1988. Lost battle for (football) Patriots 1988. Stock alone worth $320 million.

Howard Brighton Keck

William Myron Keck III

Uncle, nephew. Superior Oil Co. Descendants of William M. Keck Sr., Tex. wildcatter during 1901 Spindletop boom; said to taste-test drilling-core samples. Founded Superior Oil 1921, made it premier independent oil co., with largest reserves; pioneered Venezuela, La. fields. Two sons fought over succession; after failing to sell co. 1959, William Sr. picked younger son, Howard, as CEO. William Sr. died 1964. Howard: Los Angeles. 75. Married (embroiled in bitter divorce), 4 children. CEO from father's death until 1981. Took company through ill-fated mining, farming, timber diversification efforts; forced off board during family feud 1983. Superior sold to Mobil 1984 for $5.7 billion. Howard now heads Keck Foundation, financed $70 million Keck Observatory, world's most powerful telescope, built atop Hawaiian volcano. Minimum net worth: $315 million. William III: Los Angeles. 46. Divorced, 3 sons.

Son of William Keck Jr. USC grad, now heads Coalinga Oil Co. Backed Bob Dole's short-lived presidential campaign. Wealth estimated at $245 million.

Jack Monteith Berry

Citrus. Winter Haven, Fla. and Blowing Rock, N.C. 71. Married; 1 son, 2 daughters. Native Tennesseean, took public speaking lessons to lose accent; went to N.Y. at age 22, set up fruit brokerage business, earning $75,000 when he turned 30. Came to Florida in 1960s, snapped up orange groves at "outlandish" $1,500/acre; some land now worth about $12,000/acre. One of last independent growers; has 20,000 acres groveland (most south of freeze zone), 3 plastics plants, 1 box plant. Doesn't like to sell; considers himself "a buyer": "What few things I have sold in my life, I've always been sorry." Enjoys yachting trips with family (who all live in Winter Haven). Net worth at least $315 million.

Marshall Naify

Robert Allen Naify

Brothers. San Francisco. Movie theaters, cable TV. Lebanese immigrant father started in Atlantic City 1912 with nickelodeon; moved to Calif., launched small West Coast movie circuit: United California Theaters. Sons worked as ushers, projectionists; later headed co., bought 50% United Artists Theater Circuit 1950; took control after 1963 merger. Also in 1950s: pioneered cable systems. Co. highly decentralized; "SF's best kept corporate secret" when Naifys sold out to Tele-Communications Inc. 1986 for $150 million cash, 14 million TCI shares. Marshall: 68. Married, 3 children. Works out of Pacific Heights home in sweatsuit; accused by sister in 1977 mismanagement suit of wearing monk's robes, receiving messages from God on FM radio; quit as chairman 1978, resumed job in 1982. "Oddball" to few who know him. Robert: 66. Married, 6 children. Mild-mannered; press-shy; ran co.'s day-to-day affairs; now TCI senior VP. Brothers own stake in Todd-AO film postproduction co. Their joint fortune estimated at least $630 million.

Jean Bernhard Buttner

Inheritance. NYC. 53. Divorced, 3 children. Daughter of Arnold Bernhard, Value Line, Inc. founder (d. 1987). After job as *Time* drama critic, Arnold moved to Moody's Investor Service, fired during Depression. Formed Arnold Bernhard & Co. 1931; developed standard formulas for evaluating stocks, Value Line now leading investment adviser service ($70 million revenues). Jean named pres. 1985; succeeded father amid controversy. With brother's shares, substantial family money invested in Value Line mutual funds, worth at least $315 million. Family owns Bahama island devoted to ecological research. "She was the last resort to keep the company in the family."

Leonard Samuel Skaggs Jr.

American Stores Co. Salt Lake City. 65. Married, 4 children. Grandfather opened Skaggs Cash Store, Idaho, 1915. Six sons (all known by initials: O.P., M.G., L.L., L.J., S.A., L.S.) took over, expanded into Safeway chain. L.S. Sr. acquired Payless drugstores on own 1939; started Skaggs Co. L.S. Jr. joined at 14, took over 1950. With Joe Albertson *(which see)*, successful idea 1970: drug/grocery store combination. Amicable split 1977; American Stores now sales of $14 billion. Personal shopping spree: bought Jewel Cos. for $1.1 billion; pending $2.5 billion merger with Lucky Stores. "Sam" reclusive; searching for successor so he can retire. Worth at least $310 million.

Raymond L. Danner

Shoney's. Nashville. 63. Divorced, remarried; 2 sons (1 deceased), 2 daughters. Born in poor section of Louisville, delivered newspapers for 25 cents a day. German immigrant father died leaving teenage Ray to support family. After WWII bought supermarket with friend for $7,000. Then bowling alley, drive-in theaters; opened Shoney's coffee shop in 1959. "I could see the postwar years would be the years of families on the move, of eating out." Added Mr. D's seafood (later Captain D's) 1969, Lee's Famous Recipe 1981; now over 1,500 restaurants, 44 motels in 14 states. His "mystery shoppers" squeal on slow service, lukewarm coffee. Stock, real estate worth $310 million.

Among members of The Forbes Four Hundred, the following have fortunes derived in whole or in large part from beer and pizza.

Beer:

August A. Busch Jr.

Lydia Kalmanovitz

John E. Anderson

Pizza:

Thomas Monaghan

Marvin Schwan

Luigino Paulucci

William Robert Berkley

Food processing. Greenwich, Conn. 42. Married, 3 children. Father died when Berkley was 11. "I was going to show the world." Delivered newspapers, cut lawns; at age 12 bought $112 of Decca Records stock at $16 a share; later sold at $45. "I was already hooked." Whiz kid money manager at NYU, Harvard B-School 1960s; his Berkley Dean & Co. ran $23 million by time

Berkley was 23, public as W.R. Berkley (specialty insurer) in 1973. Launched Finevest Services 1979, now $2 billion holding co.: dairy products (Pet milk, etc.), frozen food, food concessions, insurance; owns 80%-plus. Long-term, recession-proof investor: "A quick move here or there doesn't win the game." With other assets, worth at least $300 million.

Arthur Bejer Belfer

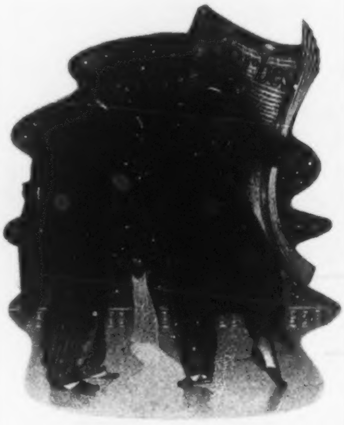
Oil, real estate. NYC. 81. Widowed, remarried; 3 children, 2 stepchildren. Immigrated from Poland, WWII. Made sleeping bags for Army until 1952, switched to oil & gas. Went public as Belco Petroleum Corp. 1959. Developed large oil base in Peru, also diversified into domestic natural gas, coal mining. Family pursued expensive oil venture in Israel 1969; unsuccessful. Friendly takeover 1983 by InterNorth (name since changed to Enron). "The name of the game in business is money. If the price is right, we'll sell." Arthur, son Robert, 53, both Enron directors. With stock, NYC real estate, worth at least $300 million.

John Quentin Hammons

Holiday Inns. Springfield, Mo. 65. Married. Taught school, worked on Alaskan highway; after WWII, concrete venture failed leaving him in debt. Started building homes, shopping centers. First Holiday Inns franchises with partner Roy Winegardner 1959. Built 31 hotels, sold to Holiday Inns for stock 1970, recently sold stock. (Roy later HI chairman.) Continued building, now owns 40 hotels, manages additional 16,800 rooms. Owns real estate across country, but especially Springfield (Bob Hope—"It won't be long before this town is known as Hammons, Mo"). Also, small businesses: bank, pro golf course development. Founded heart institute. Net worth over $300 million.

Miller Nichols

Real estate. Prairie Village, Kans. 77. Widowed, remarried; 4 children, 2 stepchildren. Father Jesse Clyde began buying land Kansas City 1904. Foresaw auto age: developed idyllic communities with provisions for garages, filling stations. Built 55-acre Country Club Plaza, first suburban shopping center, 1922. Son Miller CEO 1950. Major holdings in KC, Des Moines, St. Louis, Fla. Took firm private in 1984. Known as staunch conservative. Banned break-dancing from shopping center, spurring cries of racism. Owns some 67% J.C. Nichols Co.; relinquished 30% to employees through ESOP last February: "I'm not going to be around forever." Worth over $300 million.



715 persons have been listed at least once in the six editions of The Forbes Four Hundred to date.

Betsey Cushing Roosevelt Whitney

Inheritance. Manhasset, N.Y. 80. Divorced, widowed; 2 children by first husband. Daughter of noted brain surgeon Harvey Cushing. Married James Roosevelt, eldest son of FDR. President's "favorite daughter-in-law," often White House hostess. Divorced 1940. Remarried 1942 to John Hay (Jock) Whitney, editor of *New York Herald Tribune*, ambassador to Court of St. James's and heir to 19th-century oil, tobacco, land and railway fortune; died 1982. Betsey active philanthropy; impressive art collection (exhibited at National Gallery 1983). Lives quietly on 500-acre Long Island estate. Trusts, art, real estate, etc. believed worth over $300 million.

Theodore Nathan Lerner

Real estate. Chevy Chase, Md. and Palm Springs. 62. Married, 3 children. Father born Palestine; D.C.-based department store exec. After Army, law school, with $250 in savings Ted sold, built surburban subdivisions. At age 32, tapped by local biggie Homer Gudelsky to codevelop 1 million sq. ft. D.C. mall 1960: "I guess he just wanted to give a young guy a break." Also office space, 6,000 apts.; owns half Washington Square building in downtown D.C. Building 5 million sq. ft. Tysons Corner II complex McLean, Va. Bid for Baltimore Orioles (baseball) 1975; backing D.C. bid for expansion club. Worth estimated at least $300 million.

Robert Charles Joseph Edward Sabatini Guccione

Publishing. NYC. 56. Twice divorced, remarried; 5 children. Brooklyn-born accountant's son, moved to Rome to paint at 18. Was freelance cartoonist; started *Penthouse* London 1965, moved to U.S. 1969. Big hit with first glimpse of pubic hair. Sales limp lately, blames VCRs: "There's only so much time the public has to entertain itself." Diversifying—General Media Intl. now 19 titles including *Omni, Four Wheeler*. Bought *Saturday Review* 1987, plans "the central magazine of American culture." Sold unfinished Atlantic City hotel/casino at a loss. Fortune in publishing, real estate and art worth over $300 million. Bob's father: "I had hoped someday he'd be a famous painter."

David Theodore Chase

Real estate, investments. West Hartford, Conn. 59. Married, 2 children. Born David Ciesla in Poland; escaped Nazi death camp march that killed parents, sister. To U.S. 1946; door-to-door salesman speaking six languages. Became small-time contractor, built stores, kept 10% of Topps discount chain 1975 (became Toys 'R' Us). Built shopping centers early 1960s, first office bldg. 1972. Chase Enterprises now 5 million sq. ft. office and retail, 6 hotels, 6 radio, 2 TV stations, 4 insurance cos., large stock portfolio. Built temple with monument to parents; lends house on property to Buddhist church. With $100 million spun off to each kid, David retains fortune over $300 million.

Peter Jay Sharp

Real estate. NYC. 58. Widowed, 3 children. Parents New York hotel barons 1920s (Ritz, Delmonico, Stanhope): Jesse bought 'em, Evelyn decorated 'em. Jesse died 1941, Evelyn took reins, expanded; after Princeton, Peter joined family firm. Bought posh NYC Carlyle Hotel 1967 for $16 million, co-oped half; now home to royalty, rock stars, etc. (Nancy Reagan, meet Mick Jagger). "We're for people who don't have to worry about expense accounts." Also Manhattan office buildings, apts., etc.; stock market flings with Odyssey Partners Jack Nash, Leon Levy: Avatar Holdings, Chicago-Milwaukee Corp. Worth at least $300 million. "If you have to count it, you're in trouble."

Of the 124 members of The Forbes Four Hundred age 70 or above, at least 54 are still working full time.

William Shivers Morris III

Newspapers. Augusta, Ga. 54. Married, 3 children. Father rose from bookkeeper to sole owner Augusta *Chronicle* 1955; left small paper chain to family 1967. "Billy" bought out family after lengthy lawsuit; founded Morris Communications 1970. Brother Charles started own chain, aggressively expanding. Billy: "We're friendly, we just don't talk business." Bet company on est. $200 million high-debt deal for Jacksonville papers 1982. Denies running too-cheap operation despite editorial exodus: "Everyone was taken care of in a generous and benevolent way." In deep again: bought Naegele Billboard Co. 1985 for est. $300 million. Estimated net worth over $300 million.

Richard Palmer Kaleioku Smart

Inheritance, ranching. Honolulu and Waimea, Hawaii. 75. Divorced, 2 sons. Great-great-great-grandson of John Palmer Parker, Boston sailor landed in Hawaii. Hired by King of Hawaii to shoot wild cattle, married king's granddaughter with dowry of 2 acres. Assembled 50,000 more; domesticated island cattle. Today 225,000-acre Parker Ranch supplies about one-third Hawaii's beef; cost of a guided tour: $38. Orphaned Richard raised by grandmother. Left Stanford to become Broadway baritone for 25 years before running ranch. Won estate case against 200 descendants; still up on appeal. Land, cattle, Impressionist art worth at least $300 million. Probable heir: local prep school.

John Edward Anderson

Beer distribution, real estate. Bel Air, Calif. 71. Widowed, remarried; 4 children. Peddled popcorn outside Dad's Minn. barbershop. UCLA on hockey scholarship 1936; Harvard M.B.A., night law school at Loyola. Cofounder Kindel & Anderson law firm 1953; business bug bit 1950s, formed Ace Beverage (Bud distributor). Beverage group now $230 million sales (Calif., Hawaii, Virgin Islands); manages "for the cash flow." Parent Topa Equities includes banks, insurance; Century City HQ worth some $90 million. Low key: "There's nothing to be gained by shouting from the mountaintop." Blew cover with $15 million UCLA gift 1987. Worth over $300 million. "I still have trouble paying 75 cents for a Snickers."

Thomas Henry Dittmer

Commodities. Lake Forest, Ill. 46. Married, 2 children. Started as runner at Chicago Mercantile Exchange mid-1960s. Mistaken purchase of 100 egg contracts saved by surprise rally, made $165,000; bought Merc seat. Started own firm 1969; built "risk management" power Refco Group, probably world's largest futures clearinghouse, also stock index options, currencies, metals. "The Rambo of the futures industry," paid then largest ($525,000) Merc fine for trading infractions; appealing $30 million decision against him for stealing ex-partners' business. Press-shy, used to throw lavish parties at private Palm Beach island. With 51% Refco, large cattleyard, net worth believed over $300 million.

Gertrude Ramsay Crain

Publishing. Chicago, Ill. 77. Widowed, 2 sons. Husband G.D. Crain (d. 1973) launched *Hospital Management* 1916, founded Crain Communications. Flagship *Advertising Age* added 1930; further expansion, now over 20 business, trade publications (*Auto Week, American Drycleaner*). Sons Rance and Keith run company, but "What she says goes." Big move into regional business papers, Chicago, Detroit, Cleveland. "Citizens Crain" started New York business weekly 1985, bought, folded competitor, yet to make money. Keith: "The thing I recall most from my father is that working wasn't working, it was fun." Fortune estimated over $300 million.

Ben Hill Griffin Jr.

Citrus. Avon Park, Fla. 78. Divorced, remarried; 5 children, 1 stepchild. Born during 1910 hurricane; mule drover in father's orange groves at age 8; started in citrus business with wedding present of 10-acre grove 1933; now owns over 12,000 acres mixed groves, 75,000 acres ranchland, half-interest in public Alico (cattle, citrus). Wears cowboy hat, patent leather shoes, enjoys running cattle in Jeep: "That's my life." Five terms in state legislature; ran unsuccessful 6-week campaign for governor with wife as running mate. Vows no more politics; constituents "will have to suffer." Worth exceeds $300 million. Ben: "Just call me a thousand-aire."

Robert Edward Rich Sr.

Rich Products Corp. Point Abino, Ont. and Palm Beach. 75. Married, 3 children. Learned family's milk and ice cream business, bought own milk co. 1935, milk administrator WWII. Decided "the cow is a very inefficient factory." Developed idea for frozen soybean-based whipping cream, when cream froze on train ride and still whipped after thawing: new, widely sought product. Coffee Rich creamer 1960. Acquired small frozen food companies (1987 sales, $760 million). Distributes products for institutionalized feeding. Son Robert Jr., 47, president. Owns "Cadillac" of AAA baseball league, Buffalo Bisons (set attendance record 1.2 million, 1988). Net worth over $300 million.

George Phydias Mitchell

Oil, real estate. Houston. 69. Married, 10 children. Born Galveston, Tex.; Greek father shined shoes, washed clothes. George studied petroleum engineering, geology at Texas A&M; paid way selling stationery. After Amoco job, WWII, wildcatting with brother, bought into Mitchell Energy & Development predecessor 1960s. Now one of nation's largest independent oil & gas producers, 1988 revenues $560 million. With wife, spent $40 million restoring historic Galveston area: "We want to be a catalyst and impetus for people to do a better job of restoration." Civic-minded; energy consultant to Bush, Dukakis. "Greek" Mitchell's stock, other assets at least $300 million.

Frank Sherman Morgan

Sherman W. Dreiseszun

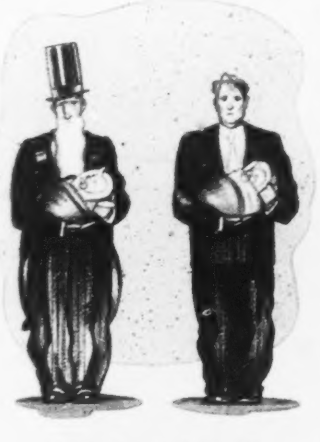
Nephew, uncle. Real estate, banks. Kansas City, Mo. Frank: 61. Divorced, 5 children. Sherman: 64. Married, 2 children. Frank born Kansas City 1926 to European immigrants; father was traveling salesman, dry goods dealer. After World War II, joined Uncle Sherm's sportswear manufacturer; partners happily ever after: "It's like they're married." Opened small K.C. bank 1964; built first major shopping center 1967. "Everybody laughed at Frank Morgan when he first started. Nobody's laughing now." Dreiseszun & Morgan partnership now controls K.C. banks with assets nearing $5 billion, over 11 million sq. ft. of malls. Frank: "We're involved with many things." Sherm & Frank extremely secretive, reclusive: "It's inaccurate to say Frank Morgan maintains a low profile. The man has no profile." Pair control assets through web of trusts, straw names. Traceable wealth, mostly in others' names, worth at least $600 million.

Armas Clifford Markkula Jr.

Apple Computer. 46. Woodside, Calif. Married, 2 children. Electrical engineer from USC, worked first at Hughes Aircraft, then Fairchild and Intel. Came across two computer freaks with homemade personal computer, but no way to mass-produce. They persuaded him to put up $91,000, line up venture capital to start Apple. "Mike" named chairman 1977, CEO 1981. Relinquished role to John Sculley, brought in from Pepsi-Cola Co. 1983. Apple vice chairman until 1987; now chairman of charter airplane service ACM Aviation, Inc., San Jose. Enjoying semiretirement. His 6% of Apple stock, etc., worth at least $300 million.

Albert Lee Ueltschi

FlightSafety International, Inc. Greenwich, Conn. 71. Widowed, 4 children. Lindbergh fan fulfilled dream: soloed open cockpit biplane at 16. Pan Am pilot WWII, started flight instruction firm 1951; mortgaged home to buy first simulator 1954, went public 1968. Now trains 30,000 pilots, 2,500 technicians a year at 39 locations. Also manufactures training devices. "Al" funds Project Orbis, flying eye surgery hospital. Increased business flying, concern for airline safety sparked major growth. "I believe in this company." So does raider Paul Bilzerian, but Ueltschi owns 29% worth $300 million, family has 6% more. "And I done it clean."



Among members of The Forbes Four Hundred over 50 years of age, the average number of children is 3.2. Among those under 50, 2.5.

Mervyn Edward Griffin

Television. Beverly Hills. 63. Divorced, 1 son. Big band vocalist, had No. 1 hit "I've Got a Lovely Bunch of Coconuts" 1950. Stints on Broadway, B movies; ever-fascinated host of *Merv Griffin Show* 1961-86. Started game show production co. 1962, first hit *Jeopardy!*. Playing Hangman with sister on car trips inspired *Wheel of Fortune* 1973; most lucrative game show ever, sold to Coca-Cola 1986 for $250-million-plus. Merv still contributes puzzles: "I am a thick blotter of mostly useless information." Bought $100 million Beverly Hills Hilton 1987; split Resort Intl. with

Donald Trump *(which see)*. Fortune in L.A. real estate, radio stations, etc. worth more than $300 million.

William Lyon

Real estate. Newport Beach, Calif. 65. Widowed, remarried; 5 children. Grew up West LA; shunned school: voted "most likely to recede." High school flying lessons; Air Force pilot WWII, Korea. Rose to two-star general; 17 combat decorations. With brother launched second career building homes 1950s; William Lyon Co. now California's largest home builder (1987 sales, $821 million). With George Argyros *(which see)* bought ailing AirCal 1981; sold to American 1986, pocketed $30 million profit. Chief U.S. Air Force Reserve 1975-79; classic car buff: "I feel like I'm in my element." The "General" now commands fortune estimated at least $300 million.

John Lee Cox

Oil. Midland, Tex. 63. Married; 1 son, 1 daughter. Grew up in west Texas; father worked for oil co. Graduated Rice U.; started as petroleum engineer 1946; struck out on own 1952; major early partner Joseph Gruss *(which see)*. "Sprayberry King" built fortune on small interest in over 1,000 wells; now one of largest producers in state with major operations in west Texas Sprayberry Trend, New Mexico, Oklahoma, Wyoming, North Dakota; also cattle operation in Mexico. Tex Moncrief *(which see)*: "John is what we call a man's man." Avid golfer. Fortune estimated at least $300 million. "When I die I'll go to the great oilfield in the sky."

William Edward Simon

Leveraged buyouts. New Vernon, N.J. 60. Married, 7 children. Insurance agent's son; first Wall St. job $75/week, later made $3 million per year as head bond trader Salomon Brothers. Ford's "Energy Czar," Treasury boss: "I'm the guy that caused the lines at the gas stations." Wanting more lines for his 5½-inch *Who's Who* entry, formed LBO firm Wesray with Ray Chambers 1981. Huge profits on deals like Gibson Greetings (estimated $80 million): "I worked on that for a whole week." Pair split, Simon

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William Coburn Cox Jr.

Jane Cox MacElree

Brother and sister. Inheritance. Great-grandfather Clarence Barron (d. 1928) bought *Wall Street Journal,* Dow Jones ticker 1902; founded *Barron's* 1921. Children of Barron's granddaughter Jessie Cox (d. 1982). Bill: 57. London, Nantucket. Married, 4 children. Director of Dow Jones European operations, on corp. board. Jane: 59. Newtown Square, Pa. Divorced, remarried; 7 children. Active in Philadelphia charities. Thanks to *Wall Street Journal*'s great success, siblings share trusts holding Dow Jones stock worth, postcrash, some $580 million.

Charles E. Smith

Robert H. Smith

Arlene Smith Kogod

Real estate. Washington, D.C.; Palm Beach, Fla. Charles: 87; divorced, 2 children. Russian immigrant, began building in Brooklyn, lost bundle in Depression. Moved to D.C. Lost shirt again, considered job in bar & grill; wife talked him out of it. Built rental apartments instead. Son Robert joined 1950. Together, assembled land, including railroad yard, Arlington early 1960s; built much of vast Crystal City: 41 buildings house 70,000 workers. Family holdings total 15 million sq. ft. offices, including Skyline City in Va. Charles retired, overseeing philanthropies (George Washington U., Jewish charities). Company run by formal, reserved Robert: 60; married, 3 children. Also more outgoing Robert P. Kogod, husband of Arlene: 54; 3 children. One of D.C.'s biggest real estate empires, estimated equity $870 million.

Francesco Galesi

Real estate, telecommunications. NYC. 57. Divorced, remarried; 3 children. Son of Italian immigrant real estate broker. After Princeton, built shopping centers with family. Bought 6-million-sq.-ft. army depot near Albany, N.Y. for $4 million, converted to industrial-distribution complex; enlarged; now worth $100 million. Also offices, Long Island beachfront, etc. Telecommunications ventures USCI (satellites), Argo (long distance) went Chapter 11. Trying again with Long Distance America Inc., Teltec Savings Communications, bought for $20 million, merged into Telus, March 1988. Physical model for drinking buddy Michael Douglas' Gordon Gekko in *Wall Street*. Galesi worth more: $290 million.

Among members of The Forbes Four Hundred over 50 years of age, the average number of divorces, separations and annulments is 0.4. For those under the age of 50, 0.4.

George Soros

Money management. NYC, South Hampton, L.I. 57. Divorced, remarried; 5 children. Born Budapest. At London School of Economics grades not good enough to make professor, emigrated to U.S. 1956. Currency trader, stock analyst; started Curaçao-based Quantum Fund, for foreign investors only, 1969. "World's greatest money manager," enjoys 28,000% return on 1969 asset value. Hobnobs with finance ministers in 5 languages. Wrote book with insightful observation: Investor enthusiasm inflates stock prices. Ironically, bullish up until crash: lost $800 million (but finished year up 15%). Manages $1.8 billion, incl. his share est. worth over $290 million.

Alpheus Lee Ellis

Banking, real estate. Tarpon Springs, Fla. 82. Married, 1 daughter. At 14, cleaned father's Alabama bank for $8/week plus change he found in spittoons. "Dean of Florida banking" flunked college banking course, quit, bought first bank 1943. With wife, gradually bought control 17 Fla. banks, consolidated into Ellis Banking Corp. 1973 (assets, $1.6 billion). Conservative banking, no condos or commercial loans; worked every holiday for 20 years. Sold his 56% EBC shares to NCNB Corp. for 4 million shares, lifetime job, chauffeur. His stock, real estate, other assets worth at least $290 million. Won't retire: "I might as well worry about something I enjoy—business."

John Hammond Krehbiel Sr.

Molex, Inc. Downers Grove, Ill. 82. Widowed, 2 sons. With father and brother founded small "alley shop" 1938; invented inexpensive Molex plastic combining coal and asbestos processing wastes. Made molded plastic items (toy guns, submarines, etc.); switched to electronic components. John Sr. pres. 1957, still chrmn. Took co. public 1972. Now revenues of over $500 million (70% overseas); 21 foreign factories. Son John Jr. now pres., brother Fred vice chrmn. "When my two sons were learning the business, I kicked their asses all over the place." Frugal, prizes "family feeling" among employees. Plays golf, racquetball; politically active both parties. Worth at least $280 million.

Lydia Kalmanovitz

Inheritance. Tiburon, Calif. 83. Widowed, childless. German-born wife of beer baron Paul Kalmanovitz (d. 1987), Polish merchant marine who jumped ship in Philadelphia. Daughter of small-time merchant met Paul in front of NYC bookstore; married April 1930. Moved to Calif; bought LA bars, real estate. Invasion of thirsty GI's helped bar biz boom in WWII; Nat King Cole got started in Paul's clubs. Traded real estate for first 102 Brewery 1950s; took over many regional breweries (Pearl, Lucky Lager, Narragansett, Pabst), trimmed waste, made them work. Lydia attends board meetings; execs often lunch at her home. Her 50% of estate worth $280 million.

Lloyd Edward Cotsen

Neutrogena Corp. 59. Bel Air, Calif. Widowed, remarried; 2 daughters, 1 son. Princeton, Harvard M.B.A. 1957; worked as archeologist in Greece. After brief stint in Navy, expelled from architecture school: "I was no good at it." Joined father-in-law's skin-care products firm 1958 "because I couldn't get a job." Low-key marketing: through drugstores, samples in hotels. Business became leader in specialty soaps. Anticipates aging baby boomers will maintain this edge. Still avid archeologist. Daughter Tobey, 29, started Bundle of Convenience: disposable diaper, baby items delivery service in Los Angeles. His 41% interest in Neutrogena worth $280 million.

Donald George Fisher

The Gap. San Francisco. 60. Married, 3 sons. Finance major, star swimmer at Berkeley, grad. 1950. Entered family contracting/real estate business. Moved away from it. Cofounded first Gap store with wife, Doris, 1969. Sold Levis in every conceivable size, and arranged them by size for convenience—his style of shopping. Prospered during teen-jean craze of 1970s; slowed when teens grew up. Revamped for matured audience. Acquired Banana Republic catalog operation 1983, now 103 stores; GapKids stores, started 1986, now 48 units. The family owns 41% of company worth $280 million. "In the retail industry today, one has to be willing to change."

Samuel Joseph Frankino

Agency Rent-A-Car. Palm Beach, Fla. and Pepper Pike, Ohio. 64. Divorced, remarried; 1 daughter. Small real estate fortune accumulated 1950s-60s. Insurance agent needed car for client; Sam rented him new car bought for daughter for $9.50 a day; realized potential business: "My daughter never did get that Impala." Rents for routine low-mileage use, competitive rates. Now up to 32,500 cars; largest insurance replacement-car rental company in U.S. "I originally thought we'd get up to maybe 40 or 50 cars." Drew no salary until Agency went public 1983; now takes $225,770/yr. Avid golfer, deep-sea fisher. His 57%, other investments, worth $280 million.

Among members of The Forbes Four Hundred residing in California and New York, the following comparisons may be made:

	California	New York
avg. age	64	65
avg. net worth	$479 million	$577 million
avg. no. divorces	0.48	0.46
avg. no. children	2.9	3.2
no. in real estate	12	27
no. in media	12	10

Leonard Litwin

Real estate. NYC. 72. Married, 2 daughters. Started in father's landscaping business on N.Y.'s Long Island (nurseries now valuable real estate, but horticulture still his hobby). Lenny pioneered building high-rise apts. on Manhattan's Upper East Side; now owns at least 3,800 prime NYC rental units. Bucking co-op trend: "Everybody who has a job in New York can't spend $500,000 on a co-op." Also Manhattan office space. Lenny mostly an unknown quantity; avoids press. Colleague: "He operates like an old-fashioned real estate man." Manhattan apts., other, should be worth at least $275 million. Lenny: "One of these days I'm going to make it. My friends will call up and say, 'Lenny, you done good.' "

Richard Jerome O'Neill

Alice O'Neill Avery

Brother and sister. Inheritance, real estate. Grandfather Richard O'Neill left Ireland, managed friend's huge southern California ranch. Payment in kind: half the property. Grandchildren inherited 50,000-acre O'Neill Ranch 1943, much of it since sold or given away. Developed 11,000-acre Mission Viejo tract mid-1960s with Donald Bren *(which see)*; purchased by Philip Morris for $72 million. Now developing 5,000-acre planned community Rancho Santa Margarita, Orange County; headed by Alice's son Anthony Moiso. Richard: San Juan Capistrano, Calif. 64. Married, no children. "Uncle Dick" known for disheveled appearance. Ranching interests Mexico, Nevada; also Calif. restaurants. Powerful in state Democratic politics: "It's like playing at the crap table or being a big bettor on football games." Alice: Los Angeles. 71. Divorced, widowed; 3 sons, 6 grandchildren. Dick and Alice share ranch, other investments worth $550 million.

Marshall Edison (Doc) Rinker

Cement. Palm Beach. 83. Widowed, remarried; 3 sons. Nicknamed "Doc" during sickly childhood; scotched weakling reputation by working 12-hour days to get company off ground. Started with one dump truck, fiberboard shed; weathered Depression by penny-pinching. Long hours still kept by

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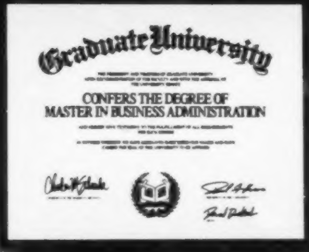

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execs.: 55-hour, 6-day week. Fla.'s largest cement co. claims to be first to offer ready-mixed concrete. Handed reins to son, 1982; reclaimed helm 1983; guided co. through several failed sales attempts. Cashed out to Australian co. in July for $515 million. "They had the cash up front, and they spoke English." His 71% share, allowing 28% tax, $275 million.

Joseph Morton Davidowitz

Stock market. Lawrence, N.Y. 59. Married; 4 daughters, 1 in business. Uses J. Morton Davis professionally. Father sold kosher food, vacuums door-to-door. Morty studied at Brooklyn College at night 7 years; later Harvard M.B.A. Partner old-line wirehouse D.H. Blair 1961, sole owner 1973. Set sights on small companies, new issues. High-pressure salesmen move trendy stocks in health care, biotech fields: "I want to find a cure for cancer or an aphrodisiac that keeps you aroused until you're 120." Waives fees, takes stock in best deals. Ownership D.H. Blair, large securities portfolio worth over $275 million. "Sure the market's irrational, but in irrationality there is opportunity."

William Gordon Bennett

William Norman Pennington

Circus Circus. Partners. Bennett: 63, Las Vegas. Pennington: 65, Reno. Both married with 2 children. Bennett worked for Del Webb Corp., Pennington ran electric gaming business. Teamed up 1971 as Western Equities Co., slot machine distributor. Bought near-bankrupt Circus Circus 1974; turned profit two months later. Bennett: "I didn't think it would work." Caters to middle-class families: inexpensive rooms, meals; live circus acts. Now operates six Nevada casinos, working on seventh; considered most successful co. in gambling business. Pennington retired as pres. July, sold half his stock holdings. Chairman Bennett: "I don't know what I'd do if I retired. This is fun." Pennington cashing in at some $240 million, Bennett at least $270 million.

Edmund Newton Ansin

Broadcasting. North Miami. 52. Divorced, 3 children. Father was Massachusetts shoe manufacturer who bought Florida real estate 1940, Miami TV station WSVN-TV (NBC affiliate) 1962 with son for $3.4 million. After father's death 1971, Edmund took over; strong emphasis on news, public affairs. Jolted out of publicity-shy lifestyle by NBC's purchase of local CBS station, attempt to cancel affiliation 1987. Antitrust suit against NBC, CBS under way. Will go independent when NBC contract expires in January. Oldest son runs real estate. His Sunbeam TV Corp., real estate estimated at $265 million.

Dorrance Hill Hamilton

Hope Hill van Beuren

Inheritance. Sisters. Grandchildren of John Dorrance Sr., chemist who hit on idea for condensed soup in cans. Left then third-largest estate in U.S. 1930: Campbell Soup stock, investments worth $129 million. One-third to John Jr. *(which see)*, one-sixth to each of 4 daughters, now deceased; their children inherited. Dorrance (Dodo): Strafford, Pa. 60. Married, 3 children. Campbell director, runs gift shop near home. Hope (Happy): Middletown, R.I. 54. Married, 3 children. Sisters still have 13% of Campbell, other investments worth some $500 million. Cousins, Strawbridge and Colket families, together control 9% of Campbell worth another $300 million.

Alexis Felix du Pont Jr

Alice Francis du Pont Mills

Helena Allaire Crozer du Pont

Brother, sister, sister-in-law. Children of A. Felix du Pont, distant cousin Pierre, sided with him in family split 1915 (see other du Ponts, family), rewarded with stake in family holding company Christiana Securities. A. Felix Jr.: Wilmington, Del. 82. Divorced, remarried; 3 children by first wife, 1 by second. Son, Michael, charged, sentenced to 358 days prison, wife Peggy 179 days, for investment scam through Du Pont Energy Control: Promised "miracle" products, energy-saving devices. Part of sentence included restitution of funds to investors from Michael's trust income—aftertax. Alice (Mrs. James Paul Mills): Middleburg, Va. 75. Married, 3 children. Brother, sister have trusts believed worth about $260 million each. H. Allaire: Chesapeake City, Md. 75. Widowed, 2 children. Husband Richard Chichester du Pont noted pilot killed in WWII glider crash. Successful horse breeder; among first women admitted to Jockey Club, 1983. With children, shares of husband's inheritance (trusts), also believed worth about $260 million.

John Brooks Fuqua

Entrepreneur. Atlanta. 70. Married, 2 sons (1 deceased). Poor tobacco farm boy, operated his own ham radio at 14. Joined Merchant Marine 17. Bought Augusta radio station 1940; started TV station 1953. Georgia legislature 1957-62. Continual acquisitions during conglomerating binge mid-1960s. Aborted attempt 1981 to take Fuqua Industries private (within two years, FI pared down to third of 1979's $2 billion sales). Acquired Georgia Federal Bank (assets, $3.2 billion) 1986: "I'm just a paper shuffler; some call that a strategist.' Son Rex, 40, made $52 million on sale of affiliated Augusta cable systems 1985. With family, worth some $260 million.

Robert Boisseau Pamplin

Textiles. Portland, Ore. 76. Married, 1 son. Raised penniless; mother made his clothes from sugar sacks. Rose to CEO of Georgia-Pacific. On day of mandatory retirement 1976 bought tiny Ross Island Sand & Gravel—base for today's $430 million (sales) R.B. Pamplin Co. with 19 textile mills: "It's not that we were interested in textiles, but they were more undervalued than anything else." Son Robert Jr. author 7 books, working on 8th; 8 degrees (Ph.D.s: theology, business); preaches cross-country, recent speech at Pentagon on ethics. With son, estimated worth over $260 million. "It's just a lot of fun, and the good Lord has been very rewarding to us."

Alfred James Clark

Construction, real estate. Easton, Md. 60. Married, 3 children. Va.-born, couldn't afford Cornell tuition; studied engineering U. of Md. Field engineer for Hyman Construction 1950 (revenues then $3.5 million), CEO 1969. Spun off nonunion Omni Construction 1977. Both now part of Clark Construction Group, 3rd-largest U.S. builder, revenues $870 million. "The King of Concrete" big D.C. builder: L'Enfant Plaza, Natl. Museum of Natural History, Four Seasons Hotel, many projects with Oliver Carr *(which see)*. Rises 5 a.m. every day, exercises 2 hours, takes helicopter to work. With Clark Enterprises, stocks, real estate, net worth should exceed $260 million.

Among graduates of colleges and universities on The Forbes Four Hundred, the average estimated net worths were:
Princeton: $763 million
N.Y.U.: $756 million
Stanford: $714 million
Columbia: $629 million
Yale: $618 million
MIT: $584 million
Harvard: $484 million
Yeshiva: $375 million

Charles C. Butt

Grocery stores. San Antonio. 50. Single. Baptist grandma Florence founded C.C. Butt Grocery, Kerrville, Tex. 1905, lived upstairs, sold no spirits. Son Howard renamed chain H.E. Butt Grocery 1935. Charles bagged groceries age 8; Wharton 1959. Elbowed past brother Howard Jr. "If I'm going to stay, I'm going to be in charge." Texas-based chain now $2.3 billion sales; nation's largest privately held supermarket chain. "The challenge is to get the price of Tide down." Settled predatory pricing suits estimated $2.75 million 1985; wrongful-termination suit by Mexican-American employees, estimated $8 million 1987. Charles: "It is clear this situation was mishandled. . . . I regret this very much." Co. worth over $260 million.

Craig O. McCaw

Bruce R. McCaw

John Elroy McCaw Jr.

Keith W. McCaw

Brothers. McCaw Cellular Communications, Inc. Seattle. Father John Elroy McCaw radio-and-TV pioneer in Northwest. Bought radio station in Centralia, Wash. 1937; later expanded with novel rock 'n' roll station WINS New York (now all news) and KYA San Francisco. Also TV stations, cable: headed early syndicate to wire NYC. Sudden death 1969 left widow, teenage sons, enormous debt; stations sold. Craig: 39. Married, no children. Active in co. while at Stanford late 1960s. Steered family into cellular telephones, pagers 1970s. McCaw now largest U.S. cellular telephone co. (127 franchises covering population of 47 million). Sold cable interests to Jack Kent Cooke *(which see)* for $755 million 1987. Chairman Craig, regarded as brilliant by industry, controls family's 40% share; Affiliated Publications owns 47%, shareholders 13%. Brothers all vice presidents: John, 37 (married, 3 children), in charge of acquisitions. Neither Bruce, 42 (single), nor Keith, 35 (married, no children), have day-to-day role in business. All publicity shy. Snaps Bruce: "We are not public figures, and we don't intend to be." Share stock worth $1.04 billion.

Harry Richard Horvitz

Leonard C. Horvitz

William D. Horvitz

Brothers. Inheritance. Children of Samuel Horvitz, immigrant's son who sold newspapers on street corner before founding a road construction company in 1916. Also built small Ohio-based newspaper chain. Won title to huge part of Hollywood, Fla. from bankrupt client 1929. Adversarial siblings took over businesses on father's death 1956. Harry: Cleveland, 68. Married, 3 children. Ran newspapers. Leonard: Cleveland, 65. Divorced, remarried; 2 children. Supervised construction business, although originally stripped of estate trusteeship for kicking drunk dad off his property (later reinstated by courts). William: Hollywood, Fla. 62. Divorced, remarried; 2 children. Built up real estate. Mother's death in 1977 sparked family feud. After years of name-calling, fistfights and lawsuits, court ordered property liquidation. Waiting didn't hurt market value: Papers sold to Ingersoll Publications $418 million, cable $222 million, both 1987. Real estate sold 1988; each brother should be left with $260 million.

Daniel Crow Searle

William Louis Searle

Suzanne Searle Dixon

Brothers and sister. Inheritance. Great-grandchildren Gideon Searle, who bought Indiana drugstore after Civil War, founded one of nation's first drugstore chains. Began making drugs as G.D. Searle 1888. Grandson John responsible for remarkable profitability 1936-66: introduced Dramamine; first oral contraceptive; etc. Son Daniel: Winnetka, Ill. 62. Married; 2 sons, 1 daughter. CEO 1966-77. Unfortunate record of acquisitions, image tarnished by FDA probe. Smart move: brought in former Defense Secretary Donald Rumsfeld to pick up pieces. Rumsfeld and discovery of aspartame saved company. Sold out to Monsanto 1985. Son William: Lake Forest, Ill. 60. Married, 3 children. Former vice chairman. Daughter Suzanne: Lake Forest. 57. Married, 3 children. With brothers, now active in investment of funds (substantial amount in venture capital) as Earl Kinship Capital Corp. Daniel: "We follow prudent rules any investor would, but individually and collectively we are willing to take higher risks because of sources available." Proceeds of sale, other assets worth over $750 million.

Eugene Smith Pulliam

Publishing. Indianapolis. 74. Married; 3 children, 1 son in business. Father Eugene C. Pulliam, reporter, purchased *Atchison* (Kansas) *Champion* 1912. Bought, sold string of papers. Central Newspapers now 7 dailies (including *Arizona Republic, Indianapolis Star*). Recruited Barry Goldwater to politics: "I've never been interested in the money we make, but in the influence we have." Son Gene worked as reporter after WWII (Navy), publisher on father's death 1975. Nephew is vice presidential candidate Dan Quayle. Pulliam descendents control 70% of company (estimated value $1 billion). Gene's immediate interest (including some held in trust) worth $250 million.

Mortimer Benjamin Zuckerman

Real estate. NYC, Washington, D.C. 51. Single. Born Montreal, son of tobacco, candy wholesaler; Wharton M.B.A., two law degrees (including Harvard): "I was in the fog of youth for a long time." Joined Cabot, Cabot & Forbes 1962; left with $5 million 1970 to form Boston Properties with Ed Linde. Built midline warehouse, office space 1970s Boston, D.C.; now controls over 10 million sq. ft.; also NYC projects. Became Mort the publisher 1980: bought *Atlantic*; added *U.S. News & World Report*, real estate 1984 for $163 million. "When I take a shower in the morning, I'm thinking of *U.S. News*." Softball nut. Net worth: $250 million. Mort: "My tendency is to go for it."

Norman E. Alexander

Sequa Corp. Scarsdale, N.Y. 74. Married, 4 children. Grew up South Bronx, son of spats manufacturer. Columbia law degree, never practiced; entered family business (it had switched to leggings). Got into film distribution, sold at profit; bought printing pigments firm, merged into Sun Chemical (major producer printing inks) 1957, became CEO, kept buying Sun stock. Snagged some 20 small companies, but missed big ones until successful Chromalloy takeover. Sun renamed Sequa Corp. 1987. Also owns Ampacet (smallish plastic resins company, Mount Vernon, N.Y.). His 67% Sequa, after recapitalization, plus Ampacet, etc., worth at least $250 million.

David Graves Mugar

Inheritance, broadcasting. Boston. 49. Divorced, remarried; 3 children. Father Stephen (d. 1982) owned Star Market supermarket chain, sold out to Jewel Tea Co. 1964. David, onetime firechaser/photographer, had grand passion: TV watching. License for local CBS affiliate WNEV-TV came up for grabs; fought 13 years to take away from RKO General. Finally bought for $22 million in 1982 on $1.7 million equity. Made more profitable with shows like *Wheel of Fortune*, although still Boston's third-rated station. Rift with highbrow partners; bought out dissidents 1986. His 65% now worth $135 million. With real estate, other interests, worth over $250 million.

Daniel James Terra

Lawter International, art. Chicago, Washington, D.C. 77. Twice married, son by first wife. Son of Italian immigrant lithographer. Switched to engineering after losing college dance audition to Gene Kelly: "All I had to do was see him take the first three steps." Invented printing process that shortened press run from 25 days to 24 hours. At 28 borrowed $2,500, set up Lawter (specialty chemicals). "The key to everything I've done is having good advisers and listening to them." Opened Chicago's Terra Museum of American Art 1987 to house $100 million collection. Raised $21 million for Reagan 1980; ambassador-at-large for cultural affairs 1981. Estimated worth over $250 million.

Floyd Dewey Gottwald Jr.

Bruce Cobb Gottwald

Ethyl Corp. Richmond, Va. Sons of Floyd Gottwald Sr. (d. 1982), who joined Ethyl predecessor Albemarle Paper Manufacturing 1918 as office clerk; became president 1941. Bought out Ethyl Corp. 1962; sold Albemarle unit 1968 for $55 million, made gasoline antiknock compound TEL, outlawed by federal lead-content laws; last U.S. plant closed 1985. Ethyl Corp. acquired, expanded way into plastic, aluminum products, bromine-based chemicals, insurance, etc. (1987 revenues, $2.6 billion). Sons also broadening pharmaceutical business, leading U.S. producer painreliever ibuprofen (Nuprin). Floyd Jr.: 66. Married, 3 sons. Chairman 1968, CEO 1970. Private, "publicity shy." Bruce: 55. Married, 3 sons. President since 1969. "They treat the company like it's their own, and it is." Their 18% Ethyl Corp. worth about $500 million.

John Arrillaga

Richard Taylor Peery

Partners. Real estate. Palo Alto. John: 50. Married; 1 son, 1 daughter. Son of spud farmer; scored Stanford hoop scholarship, later sold S. Calif. real estate. Richard: 49. Married; 3 sons, 1 daughter. Devout Mormon, sister Nancy wed Richard E. Marriott *(which see)*. After Stanford B-school, ran SF properties for father; bought California fruit farms betting on Silicon Valley research boom. Partners teamed up 1967: now secretive lords of Silicon Valley R&D space, control at least 5 million sq. ft. commercial space (millions more sold off). John the builder-dealster, Dick shuffles money, paper; colleague: "Toughest businessmen I've ever dealt with." Pair live two blocks apart; John fanatic gardener, Dick avid outdoorsman. Together, Dick and John worth at least $500 million.

Chapman Shaw Root

Coca-Cola bottler, broadcasting. Ormond Beach, Fla. 63. Married; 5 sons, 1 daughter. Grandfather Chapman Jay Root founded Root Glass Co., Terre Haute, Ind. 1901; introduced Coke bottle 1915—"the most perfectly designed package in the entire world." Formed Associated Coca-Cola Bottling Plants Inc. 1939. Root Co.'s interest: 58%. Chapman Jay died 1945. Son William died 1932 plane crash; grandson Chapman president 1950 at age 25. Cashed out bottling operation 1982 for $417 million (his share $240 million.) Root Communications owns 4 radio stations, 1 TV station, posh Daytona Hilton. Proceeds from sale, other assets estimated at least $250 million.

Kenneth Harry Olsen

Digital Equipment Corp. Lincoln, Mass. 62. Married; 1 daughter, 2 sons. MIT grad; work as student liaison to IBM steered him toward computer business. Founded DEC, 1957, with $70,000, in old woolen mill. "Technobumpkin" claims he learned management skills as Sunday school superintendent; led revolution in inexpensive, rugged minicomputers. Now third-largest U.S. manufacturer data-processing equipment. Specialty: networking systems. Staunch neo-puritan; attends prayer breakfasts Tuesdays with other Boston elite. Canoes, owns small plane. His shares DEC worth $250 million.

Marvin Maynard Schwan

Ice cream, pizza. Sioux Falls, S.D. 59. Divorced, remarried; 4 children. German Paul Schwan immigrated to Minn. 1921; built Schwan's Dairy plant 1948. Son Marvin packaged popsicles at 14; took over business end age 23 ("Dad was a plant man"), launched rural ice cream home delivery service. Private Schwan's Sales Enterprise now $600 million (sales) "traveling 7-Eleven"; 1,000-rig fleet, 48 states: dairy products, frozen pizza, juices, Mex. food, etc. Bought small Kans. pizza plant 1970; now estimated $200 million pizza volume (Tony's, Red Baron). Marvin cloaked in secrecy but has built up company believed worth over $250 million. Spokesman: "We're adopting a Mars-like policy." *(See Forrest Mars.)*

George Leon Argyros

Real estate. Newport Beach, Calif. 51. Married, 3 children. Raised in Pasadena, decided early great wealth was his goal. Chose real estate: "If you work hard it's one of the frontiers that are left." Contractor's license after college 1962; first subdivision 1963. First apts. 1968, now owns 5,000 units. Also, commercial space, homes, raw land. Bought AirCal 1981 with William Lyon *(which see)*, turned around, sold to American for modest profit 1986. Paid $13 million for baseball's Seattle Mariners 1981; since then, worst record in the majors. Early motto, "Patience is for losers," somewhat adjusted: "Our eye is to the long run." Net worth estimated at $250 million.

Johnnie Bryan Hunt

J.B. Hunt Transport Services, Inc. Lowell, Ark. 61. Married, 2 children. Son of Arkansas sharecropper, quit school after seventh grade to help support family; worked in uncle's sawmill factory; joined infantry WWII. Attended auctioneering school; started livestock auction house, but failed; unloaded trucks at dock to pay off debt. Hit big time 1962 with use of rice hulls for poultry litter (ground cover for fowl); got into trucking 1969 as sideline; business took off with deregulation. Sold chicken litter biz 1983; took J.B. Hunt Transport public same year. Trucking biz now 3,000 tractors, 6,000 trailers, $286 million revenues. His 46% stock worth at least $250 million. J.B.: "You can be a splash for a few minutes; you can't splash all day long."

Under $250 Million

Alice Sheets Marriott

John Willard Marriott Jr.

Richard Edwin Marriott

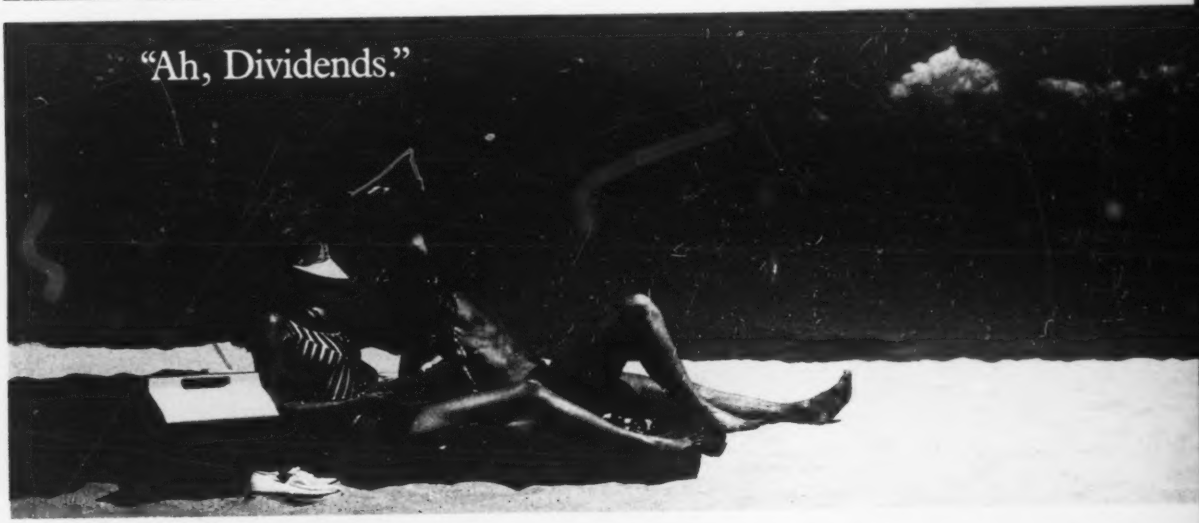
Mother, 2 sons. Marriott Corp. Heirs of J. Willard Marriott Sr., born in Marriott, Utah; Sold woolen underwear to pay for college. With wife Alice, started root beer stand in D.C. 1927. Opened first drive-in east of Mississippi, built chain. Rejected pioneer tag: "A pioneer is a guy with an arrow in his back and his face in the mud." Opened first hotel 1957; rapid expansion/diversification (Sun Line cruise ships, Big Boy and Roy Rogers restaurants, airport gift shops). Bought Host Intl. 1982, Howard Johnson Co. 1985; successors acquired Saga Corp. (food service) 1986. "Bill" Sr. died 1985. Alice: Washington, D.C. 81. Widow J. Willard Sr. Still VP, active Republican, backs arthritis research; co. test-marketing Allie's restaurants in her honor. J. Willard (Bill) Jr.: Chevy Chase, Md. 56. Married, 4 children. Started cooking french fries at co. restaurant. CEO since 1972, chairman 1985. "We are a by-the-book company. It's the only possible way you can run a company this size." Richard: Potomac, Md. 49. Married, 4 daughters. Vice chairman, handles gov't relations, oversees family broadcast interests (11 radio stations sold 1987 for est. $150 million). Family's 23% Marriott Corp., etc. worth at least $735 million.

Jesse Mack Robinson

Banking. Atlanta. 65. Married, 2 daughters. College dropout, sold used cars; built chain of auto loan companies. "Mack" bankrolled Yves St. Laurent 1960; sold 80% stake 1966 for $1 million. Bought or opened some 22 banks. Largest, First National Bank of Atlanta, merged with First Wachovia 1985. Self-styled miniconglomerator: lumber mills, billboards, pest control, insurance. "I'm a little operator into a lot of little things." Gradually selling out after heart attack 1986; putting money into horse farm, Thoroughbreds. Wants daughters to succeed him: "I'd like them to go into banking or insurance and stay away from places like lumber mills." Net worth exceeds $240 million.

Robert Orville Anderson

Oil, land. Roswell, N.M. 71. Married, 7 children. With $50,000 loan from father 1941 bought rundown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N.M. refinery; big strike 1957. Profits bought over 1 million acres ranchland; still has some 350,000 acres. Sold Hondo Oil & Gas to Atlantic Refining Co. 1963 for $32 million; became Arco CEO 1965, pushed for Alaskan pipeline 1970s. "Retired" 1986 to déjà vu: bought oil land from Arco for $180 million; formed new Hondo Oil & Gas age 69. "I'm not given to a rocking chair." Merged with Pauley Petroleum 1987 for 38% stock, CEO post. Wears bowtie, Stetson hat whether in N.Y. or N.M. Worth over $240 million in both places, too.

Fayez Shalaby Sarofim

Money management. Houston. 59. Married, 2 children. Egyptian-born son of wealthy landowner; Harvard M.B.A. Joined Anderson Clayton finance dept. 1951. Launched Fayez Sarofim & Co. 1958 with father's $100,000, now manages $13 billion assets. Naturalized 1961; married into prominent Texas family. Made name spotting oil bargains: owlish, ever bullish; 75% portfolio in stocks. "There's still a lot of people making a lot of money out there." Early investor in Teledyne with George Kozmetsky, Henry Singleton *(both of which see)*. His 72% of firm, large personal portfolio worth some $240 million. "The value of a stock isn't necessarily the number in the newspaper."

George Kozmetsky

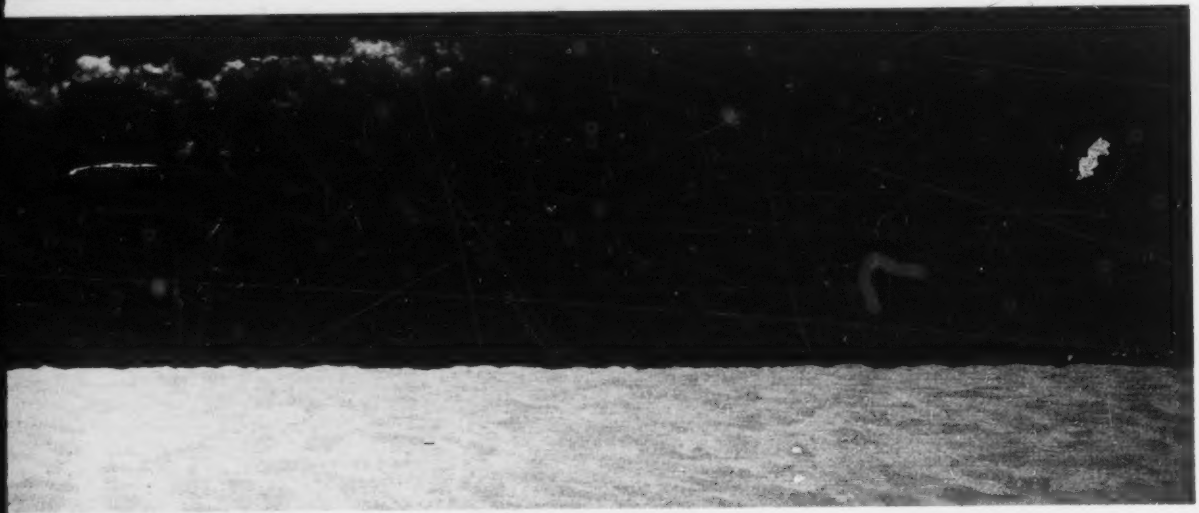
Teledyne. Austin, Tex. 71. Married, 2 children. Taught business, technology at Harvard, Carnegie-Mellon. With backing from venture capitalist Arthur Rock (*see dropouts*), cofounded Teledyne with Henry Singleton 1960. Left 1966 to return to academia; retains board seat. Dean, U. of Tex. Grad. School of Business, to 1982; still on Board of Regents. Helped establish UT's Institute for Constructive Capitalism 1977; directs and funds, with wife, RGK Foundation. Director, investor, MCO Holdings with Houston takeover artist Charles Hurwitz. Teledyne stock, other investments worth at least $240 million.

Max Palevsky

Computers. Beverly Hills. 64. Thrice divorced, remarried; 4 children. Chicago-born son of Polish immigrant. Study of classical logic led to fascination with computer logic. Designed systems for Bendix computers for $100 a week. Formed Scientific Data Systems 1961, backed by venture capitalist Arthur Rock; sold to Xerox 1969; pocketed $100 million. Backed movies *(Marjoe)*, magazines *(WET*, "the magazine of gourmet bathing and beyond"*)*, venture capital. Chairman ailing $101 million Daisy Systems ($23.7 million deficit 1987, but $77 million cash backup). Bond, stock portfolio, etc., should put worth over $240 million.

Robert Donald Van Kampen

Bonds, real estate. West Chicago. 49. Married, 3 children. Dynamic bond salesman: "They called me 'the charger.' " One of first to offer insured tax-exempt unit trusts. Van



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Kampen Merritt industry's 3rd largest (sponsor of $9 billion in trusts) when sold to Xerox, 1984, for $185 million. Invested in real estate as inflation, tax hedge for bond holdings. Cofounded VMS Realty 1981: aggressive syndicator tax shelters, portfolio now over $6 billion. Van Kampen's 40-acre estate stocked with elk, deer, other wildlife. Devout Christian, credits God: "My beliefs play a part in everything we do." With family, trusts, net worth estimated $240 million.

Robert Ruliph Carpenter Jr.

Irene Carpenter Draper

Brother and sister. Inheritance. Surviving children of Margaretta L. du Pont, sister of Pierre S. *(see various du Ponts, family).* Their father, Ruly Carpenter Sr., included in formation Christiana Securities. Robert (Bobby): Montchanin, Del. 73. Married, 3 children. Director Christiana until sale to Du Pont 1977. Owned baseball Phillies, sold 1981 by son Robert Ruliph III for $30 million. "I'm going to write a book, *How to Make a Small Fortune in Baseball.* First you start with a large fortune. . . ." Irene (Mrs. James A. Draper III): Montchanin, Del. 77. Twice divorced, remarried; 5 daughters by first marriage. Though family claims amount much less, brother, sister share with heirs of brother William (d. 1987) fortune estimated at $720 million; Robert, Irene, with immediate families, believed worth $240 million each.

Jack Tramiel

Atari Corp. Zephyr Cove, Nev. and Saratoga, Calif. 60. Married; 3 sons, all in business. Polish-born Kaufmann Idek Tramielski survived Auschwitz; to U.S. 1947; stints as NY cook, cabbie; founded Commodore International Ltd. computer manufacturer in typewriter repair shop 1958. Company unscathed in 1965 major Canadian financial scandal. Tramiel ousted in 1984 power struggle, walked out with $70 million. Bought ailing computer game maker Atari from Warner; cut staff; built economy copies of Apple MacIntosh; public 1986. Acquired electronics retailer 1987, suing: financial statements alleged fraudulent. His 51% Atari, other assets, worth over $240 million.

Dorothy (Dolly) Green

Inheritance. Beverly Hills. Late 70s, early 80s. Divorced, no children. Daughter of Burton E. Green (d. 1965), promoter, Beverly Hills founder, developer. Bought unwanted oil-bearing ground, cofounded Belridge Oil 1911; president 1925-65. Bought by Shell Oil in 1979 for $3.6 billion *(see Whittier family).* Three daughters shared stake worth $700 million; Sisters: Liliore (d. 1985); Burton (d. 1986). Horse lover Dolly forbidden by her father to race; in 1980 dropped $2.2 million on 5 yearlings at her first auction: "I feel like I'm going to faint." Not to worry: Net worth from Belridge sale estimated at $240 million.

Patrick George Ryan

Insurance. Chicago. 51. Married, 3 sons. Son of Milwaukee Ford dealer, salesman for 5 years with Penn Mutual. Started Ryan Insurance Group on inspiration: sell auto insurance through car dealers for a percentage. Assets exceeded $560 million in 1982, group merged with W. Clement Stone's Combined Intl. Pat became CEO, traded 55% his firm for 11.1% Combined. Made acquisitions, renovated company, renamed Aon Corp. (Gaelic for "unity") 1987. New products, costs in group medical area restrained earnings 1987. "He's very bright, works very hard and has integrity with a capital 'I.'" Stock worth about $240 million.

James Landon Knight

Knight-Ridder, Inc. Bal Harbour, Fla. 79. Widowed, remarried; 4 daughters. Set type for father's Akron *Beacon Journal* at 12; inherited 2 debt-ridden dailies with older brother John (d. 1981) 1933. Took public 1969, merged with Ridder family papers 1974. Knight-Ridder now owns 8 TV stations, *Miami Herald, Philadelphia Inquirer, San Jose Mercury News.* Acquired Dialog Information Services Inc., world's largest electronic retrieval co., 1988. Two daughters trustees of Knight Foundation, among largest foundations. Joint operating agreement between K-R's *Detroit Free Press,* rival *Detroit News* now pending approval. Knight-Ridder stake worth $240 million.

Irwin Lawrence Jacobs

Investments, takeovers. Minneapolis. 47. Married, 5 children. Son of Russian immigrant grain bag maker, joined family business after 3 days of college. At 18 "Irv the Liquidator" sold closeout goods from warehouse; bought ailing brewery 1975, liquidated for $4 million gain. Began assembling Minstar conglomerate (boatmaking, energy services, sporting goods) 1978; raiding vehicle, exacted hefty greenmail from Kaiser Steel, Disney, Avco, etc. Less success as manager; saw Minstar earnings sink from $30 million high to $2 million loss since AMF acquistion 1985, recently taken private for $400 million. Now planning $2 billion LBO fund. Net worth estimated $240 million.

Oliver Taylor Carr Jr.

Real estate. Washington, D.C. 63. Married, 6 children. Born blind in one eye; 4th generation local real estate family. After WWII built homes in Virginia, moved downtown 1962. Built in neighborhoods hit by 1968 riots: "The people who deserted the city were nuts." Built over 8 million square feet of prime offices: "I did it one at a time. I would build a building, it would fill up. The market was telling me something." Some preservationists fought demolition of historic Rhodes Tavern 1984, but Carr won points with Willard Intercontinental Hotel restoration. "The Tiffany of local developers" wants to bring baseball back to D.C. Fortune estimated at least $240 million.

David Geffen

Music. Malibu, Calif. 45. Single. Born Brooklyn; faked college degree to work in William Morris mailroom. Managed folk acts; founded Asylum Records 1970. Sold to

Warner 1972 for "biggest number I could think of": $7 million. "Warner made it back on the next Eagles record." Warner Brothers vice chrmn. until 1976 cancer scare. Started Geffen Records 1980; didn't sell. Was home for aged pop stars, now home to "head banging" platinum-sellers; movies *(Risky Business, Beetlejuice)*; Broadway shows *(M. Butterfly, Cats)*. Now can think of bigger number: Record co., art, investments worth estimated $240 million. "There's no glamour here, I'm a businessman."

Whitney MacMillan

Cargill MacMillan

Pauline MacMillan Keinath

Inheritance. Brothers and sister. Grandchildren of John MacMillan Sr., president of Cargill first third of this century. Whitney: Minneapolis. 59. Married, 2 children. Graduated Yale 1951, joined firm as vegetable oil merchant. Chairman 1977. Led grain-trading company into value-added products, meatpacking; expanded steel, flour milling businesses. Cochairman of Inst. for East-West Security Studies. Member of team that wrote 1987 ISS report re: America's best response to Soviet glasnost. Sponsored humorist Garrison Keillor's radio show over 13 years. Cargill: Minneapolis. 61. Married, 4 children. Senior VP Cargill 1973, retired August 1988. Has served on Committee of Minneapolis Society of Fine Arts; buys occasional works. Pauline: 54. Married. Not active in company. Share 25% Cargill stock, worth at least $690 million.

W. Duncan MacMillan

John Hugh MacMillan III

Marion MacMillan Pictet

Inheritance. Brothers, sister. Children of John MacMillan Jr., who was in charge of family grain-trading company Cargill, Inc. from 1936 until his death in 1960. John Sr. became president on death of father-in-law William W. Cargill 1909, after successful struggle with William's son. Duncan: Wayzata, Minn. 58. Married, 4 children. Cargill director, vice chairman of Waycrosse, Inc., family's private investment firm. Bought National City Bank of Ridgedale ($56 million assets). Hugh: Hillsboro Beach, Fla. 60. At least 3 marriages (1 ex-wife was family baby-sitter); 9 children. Marnie (Mrs. Pictet): Geneva, Switzerland. 55. Divorced, remarried; 2 children. Spends most of her time outside U.S. Share their branch's 25% of Cargill, worth at least $690 million. *(See Cargill/MacMillan family, also other Cargills, MacMillans, Keinath.)*

To date, at least 11 members or former members of The Forbes Four Hundred, or their principal businesses, have filed under Chapter 11 of the Federal Bankruptcy Act.

Arthur Edward Imperatore

Trucking, real estate. NYC. 63. Separated; 2 children, 1 stepson. One of 10 kids of Italian immigrant grocer; at age 7 delivered goods, mopped floors. Later Fuller Brush man, Western Union messenger. With 4 brothers, 2 Army surplus rigs started predecessor to APA Transport 1947; bought out brothers. APA now estimated $125 million sales, industry profit leader. Bought 367 N.J. waterfront acres 1981 for $7.7 million; planning $6 billion Port Imperial "city": "I have an idea of perfecting a piece of the world." Quizzed 1987 by grand jury investigating Ollie North; cruises Hudson River in 141-ft. yacht *Imperator.* Arthur worth at least $230 million. "I demand respect—because I earned it."

William Block

Inheritance. Pittsburgh. 73. Married, 4 children. Father Paul Sr., newspaper ad salesman, bought Newark *Star-Eagle* 1915, built chain; forced to sell most of it during Depression. Sons, both Yale grads, took over on father's death 1941. Paul Jr. (d. 1987) was research chemist, teacher while running *Toledo Blade* (circ. 156,000). William started at *Blade*, after Army WWII took helm of Pittsburgh *Post-Gazette* 1946, supervised editorial policy. Now runs Blade Communications (est. sales, $210 million): 3 dailies, 4 small TV stations, cable (130,000 subscribers); jointly owned by two families. William's half now worth $230 million. "I'm sure the IRS will appreciate it."

Kenneth William Ford

Timber. Roseburg, Ore. 80. Divorced, remarried; 2 children. As a boy cut cordwood with father, $2 a load. Bought secondhand machinery, opened own mill 1936. Collected sheriff's sale timberland at $2 an acre in Depression. Got rich cutting on federal land, building up private timber stock. "I had to eat, I had a family." Took a big hit with govt. contracts in early 1980s timber recession. Roseburg Lumber Co. still over $600 million sales, 760,000 acres in Ore. and Calif. Paid over $200 million to James Goldsmith for 235,000 acres Calif. 1987. His 75% of co., held with children, worth est. $230 million. "Ask yourself if you thought you would be where you are today."

Virginia McKnight Binger

Inheritance. NYC. 72. Married, 3 children. Only child of William McKnight, South Dakota farm boy joined Minnesota Mining & Manufacturing 1907 as bookkeeper; rose to head company 1916; stressed diversification as co.'s safety net. 3M now $9.4 billion (1987 sales) global corp. McKnight died 1978; Virginia inherited $500 million, $340 million for foundation she is now honorary chairman of. Husband James, 72, headed Honeywell, Inc.; now retired, runs family's 5 Broadway theaters, Fla. horse farm. Virginia active in charity. "We're trying to solve something in this world." With 3M stock, other assets, worth $230 million.

Richard Wesley Snyder

SnyderGeneral Corp. Dallas. 50. Married, 3 children. Singer Co. exec; made use of management experience, market conditions, to achieve employee's dream: buy out boss and make it your own. Climate control unit purchased for $27.5 million (all but $300,000 financed) 1982; independently appraised after deal at $83 million. Paid off debt; started acquisition campaign in U.S., more recently overseas; sales now estimated at $570 million. Labor spat spurred by publicity. Snyder: "I've learned a great lesson: Keep a low profile." Booming sales plus increased margins in SG's central air-conditioning business suggest company worth at least $230 million.

Martin Selig

Real estate. Seattle. 51. Married, 3 children. Born Germany; family fled Nazis 1939. Worked in father's children's clothing store; Univ. of Wash. Had own K mart store age 30. Started building shopping centers 1962; later exclusively mid- to high-rise office buildings, often without preleasing. Opened Seattle's Columbia Center 1985; at 1,000 ft., tallest building west of Chicago (has been spotted jogging up its 76 flights). Hit market at perfect time: "I think I can say it was an accident." With 6.5 million sq. ft., owns third of all Seattle office space. Critics say he ruined the skyline: "People are jealous of anyone willing to put his guts on the line." Selig, guts and all, worth estimated $230 million.

Murray Henry Goodman

Real estate. Palm Beach. 62. Married; 2 children, 3 from previous marriage. Army Air Corps WWII, college on GI Bill. First business, general contracting, nearly bankrupt. Then hit on shopping centers; built first mall 1965. To date, 15 million sq. ft. Sold 3 malls to Equitable for $250 million 1986. Lives in custom-built "Mayan-inspired" mansion, plus homes NYC, Long Island, Colo. "We've all made so much money in this business." Building office towers W. Palm Beach, smaller strip centers: "They're easy." Lehigh U. naming new football stadium after him: "I didn't play football, I feel uncomfortable with that." Quite comfortable with net worth estimated $230 million.

Alfred Lerner

Banking, real estate. Shaker Heights, Ohio. 55. Married, 2 children. Worked in family candy shop NYC (lived upstairs); Columbia U., Marines. Made $75 a week selling furniture 1957: "I was just happy to be making a living." Small Ohio apt. deals, grew, bought 11,000 units Md., Pa. 1979 with partner Andre Meyer (Lazard Frères) for $180 million. Director small Cleveland bank mid-1970s, others followed. "I became a student of the banking business." Hostile takeover Equitable Bancorp. 1982; cut deal with AmeriTrust for $32 million profit 1987. Invested $75 million, made chairman Progressive Corp. Worth at least $230 million. "I'm not Joe Tycoon."

Orvon Gene Autry

Broadcasting, baseball. Los Angeles. 81. Widowed, remarried; childless. Born Tioga, Tex., raised Okla. ranch; learned cowboy's three R's (ridin', ropin', ranchin') before he could read. Guitar-strummer discovered by Will Rogers ("Boy, you pick good") at Chelsea, Okla. railroad depot; later "Oklahoma's Yodeling Cowboy." Storied actor *(Tumblin' Tumbleweeds),* singer ("Back in the Saddle Again"). Bought LA's KMPC radio 1952, others (7 radio/TV stations sold 1982-83); his Golden West Broadcasters now 4 radio stations, Calif. Angels (baseball). Net worth: $230 million. "To tell you the truth, I even think there's room for a singin' cowboy today."

Clarence Scharbauer Jr.

Inheritance. Midland, Tex. 63. Married, 4 children. German shoemaker Ferdinand, 3 sons immigrated to New York early 1800s; son John took train, $2,000 to Midland 1880, bought 400 sheep. Other Scharbauers followed; acquired ranchland; Scharbauer Cattle Co. founded 1901. Land in oil-rich Permian Basin; hit big in 1935; nephew Clarence Sr., "Mr. Midland," inherited, d. 1942. Now vast Texas, N.M. acreage: estimated 10 ranches, 300,000 acres (including part Goldsmith oilfield). Bought 1987 Derby, Preakness winner Alysheba for $500,000 in 1985. Jr.: "We're horse people." Worth at least $225 million. Clarence III on being included in the 400: "Doggone it, we're just not real fired up about this deal."

Timothy Mellon

Catherine Mellon Conover

Siblings. Inheritance. Grandchildren of financier, empire-builder Andrew Mellon (d. 1937), children of Paul *(which see).* Tim: Manchester, N.H. area. 46. Divorced, remarried; 1 stepdaughter. Started computer programming firm 1969. Founded, with partner, company to pressure-treat railroad ties 1977. Acquired Guilford Transportation for $50 million: 4,700-mile track composed of old New England railroads. Added 1,000 miles unwanted Norfolk & Southern track after unsuccessful bid for Conrail; anti-union policies creating ire on all fronts: labor, politicians, allegedly federal inspectors; also Chapter 11 for one subsidiary (Delaware & Hudson Ry.). Catherine: Washington, D.C. 52. Twice divorced (uses mother's maiden name); 3 children by first husband John Warner (later senator). Divorce settlement: He got $9 million, houses. Catherine antiwar activist, environmentalist. Each received $100 million trust from grandfather; father Paul says they have enough, will get no more from him. No problem: Conservatively invested, each should be worth $225 million.

Arthur Ochs Sulzberger

Iphigene Ochs Sulzberger

New York Times. NYC. Grandfather Adolph S. Ochs (1858-1935), Tennessee newsman, bought *Times* 1896 for $75,000; made it "newspaper of record." Arthur Ochs (Punch) Sulzberger: 62. Divorced, remarried; 2 children by each marriage. B.A. Columbia 1951. Joined *Times* as cub reporter same year. Several posts in foreign bureaus; publisher 1963, chairman 1973. "I was never the world's most terrific reporter. I had a greater interest in solving the business problems." Fought decline from increasing labor costs, reader flight to suburbs 1950s-60s. Revamped newspaper, expanded coverage, included profitable special sections to attract elite readers desired by advertisers. Acquisitions: 35 newspapers, 12 magazines *(Family Circle, Golf Digest),* 5 TV, 2 radio stations, cable TV system. "The big driving engine of our company still remains the newspaper itself," 88% of revenues. Mother, Iphigene: 96, widowed, witty, irreverent, director emeritus from 1973. Ochs trust controls New York Times Co. stock worth over $450 million.

Richard Edward Rainwater

Investments. Fort Worth. 44. Married, 3 children. Born middle-class Fort Worth; son of part-Lebanese, part-Cherokee wholesaler. Mowed lawns, delivered papers; liked math, fast cars. Hired from Goldman, Sachs by Stanford schoolmate Sid Bass *(which see)* to diversify family oil fortune. Dealmaker extraordinaire: high-profile investments (Texaco, Disney) ballooned Bass net worth from $100 million to at least $4 billion. Philosophy: invest through partnerships, let executive run own show. "They know more about their businesses than I'll ever know." Left 1986 for own deals, including Ensco, Wolverine Exploration. Net worth estimated $225 million.

Amos Barr Hostetter Jr.

Continental Cablevision, Inc. Boston. 51. Married, 1 daughter. Stockbroker's son raised in Short Hills, N.J. Harvard M.B.A., stint in utility finance; "Bud" started cable co. with frat brother H. Irving Grousbeck 1963. Each put up $4,000 (as did Bud's father). Acquired some franchises, built some from scratch. Bought McClatchy *(see family)* cable co. 1986. Now third largest in U.S. (2.1 million subscribers). Considered going public, chose Dow Jones Inc. investment instead, now 17%. Grousbeck left for teaching 1981, his 10% appreciating rapidly: "When you put a boat in a fast current, it's going to go downstream." Bud's 28% of stream worth over $225 million.

Christopher Bagwell Hemmeter

Hotels. Kahala Beach, Hawaii. 49. Divorced, remarried; 7 children. Graduated Cornell hotel management school 1962; went to Hawaii. Built first hotel, Hawaiian Regent, 1971; developed $75 million Hyatt Regency Waikiki 1976, $68 million Hyatt Maui 1980. Sold both 1984 to VMS Realty for $320 million. Builds De Mille fantasies—waterfalls, gondolas, botanic gardens, Greek sculpture: "I don't think Julius Caesar walked around a much nicer place." Financed $360 million Hyatt Waikoloa with largest real estate loan in Hawaii's history. Designed Carter Presidential Library. At recent Hawaii hotel values, his equity stakes, cash worth $225 million.

The total estimated net worth of The Forbes Four Hundred is $220.4 billion. In comparison: Value of all the tea in China produced 1986-87: $1.8 billion. GNP of China, 1987: $294 billion.

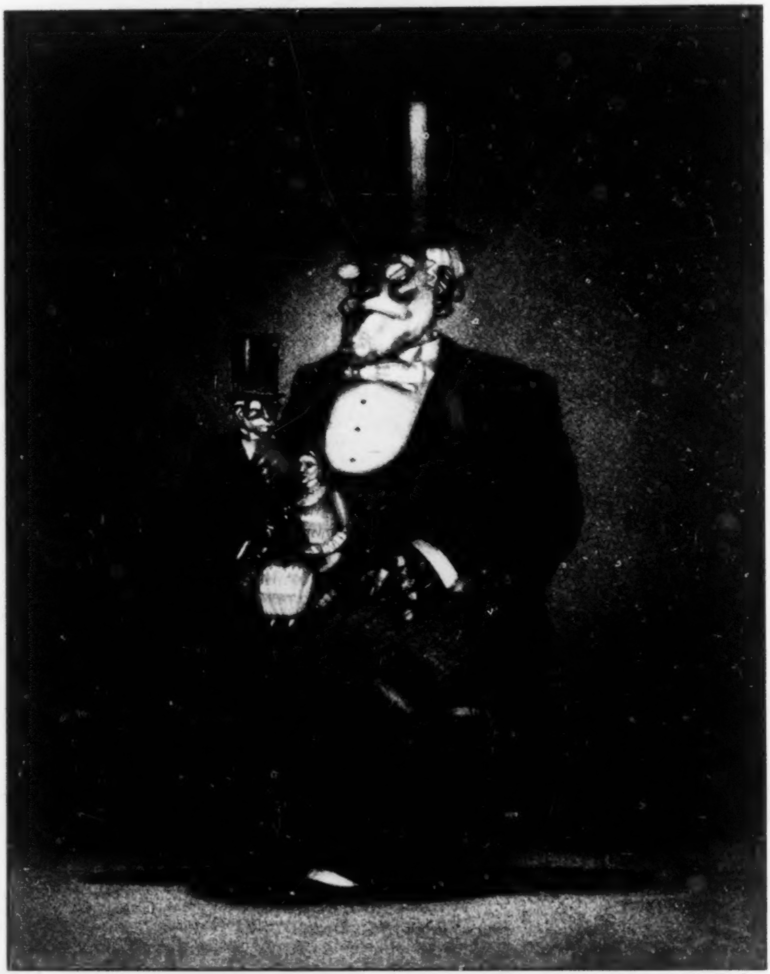
Lew Robert Wasserman

MCA, Inc. Palm Springs and Beverly Hills. 75. Married, 1 daughter. Sold candy in Cleveland movie theater; spotted by MCA founder, Jules Stein. Band booker at 23, MCA pres., 33. Agent for Hollywood stars and also actor Ronald Reagan. Acquired Universal Studios 1962; had to drop talent agency business after govt antitrust suit. MCA now diversified: entertainment co., TV, films, records, book publishing, theaters. Wasserman's surgery spurred takeover speculation 1987; suitors sought MCA's extensive real estate, film/TV library (worth more than $2 billion). Studio tour in Fla. soon. Drop in rerun program sales *(Miami Vice)* 1988. His 7% stock, etc. worth $225 million.

Gerald Douglas Hines

Real estate. Houston. 63. Divorced, remarried; 2 children by first marriage, 2 by second. Building systems engineer 1950s with real estate sideline: started with $16,000 conversion of frame house into offices; went full-time 1957. Landed bid for 50-story Shell Oil office tower Houston 1966. Built famed Galleria; went nationwide 1970. Now owns buildings from Albuquerque to Boston. On the drawing board: 1-million-sq.-ft. office tower over 34th Street Post Office in New York; 9-million-sq.-ft. commercial office space on 66 acres of Philadelphia railyard. Likes top architects, prime locations. Despite continued lag in Texas, believed worth at least $225 million.

Great Family Fortunes



Greg Couch

Some major U.S. family fortunes have already been so divided that no individual among them qualifies for The Forbes Four Hundred. This listing is extensive but not intended to be as complete as our listing of the richest individuals in America. Think of most as the significant echoes of persons who would have been members of The Forbes Four Hundred if it had been compiled in earlier decades, or as families still building.

Andersen

Bayport, Minn. Heirs of Danish immigrant Hans Jacob Andersen, who debarked Portland, Me. 1870; first English words became philosophy: "All together, boys." With sons Fred and Herbert, founded Andersen Lumber Co. 1903 in Hudson, Wis.; revolutionized building industry 1904: standardized wooden window frames with interchangeable parts. Moved to Bayport factory 1913; signed first profit-sharing checks Christmas Eve 1914; died suddenly. Son Fred took reins, emphasized advertising: "Only the rich can afford poor windows." Private Andersen Corp. nation's largest window, patio, door maker, $960 million sales ("the Cadillac of the window industry"); profit sharing plan 1987 split $106 million among employees (average check: $28,600). No Andersens active in daily management, but 4 serve on board; family's 70% worth at least $500 million.

Annenberg

NYC. Three of 7 daughters of Moses Annenberg (d. 1942), founder of Triangle Publications. Estate divided equally among 7 daughters and son Walter *(which see).* Triangle's golden goose, *TV Guide,* provided very decent income; but $3.2 billion sale proved bonanza for Esther Annenberg (Mrs. Leo Simon), 87; Janet Annenberg (Mrs. James Hooker), 84; and Lita Annenberg (Mrs. Joseph Hazen), 79. Sisters Enid (Mrs. Ira Haupt) and Evelyn (Mrs. Melville Hall) cashed in most of their Triangle stock years ago (children of 2 deceased sisters also have small stake). After sale to Rupert Murdoch, Esther, Janet, Lita share proceeds estimated $675 million.

Bacardi

Puerto Rico, Miami et al. Descendants of Don Facundo Bacardi (b. 1816), wine merchant and Spanish immigrant to Cuba, distilled a "civilized" rum; founded Bacardi Co. 1862. Now world's most popular alcohol, over 20 million cases shipped, estimated 80% of rum market. Family prominent in historic events: liberation of Cuba, invention of daiquiri. Generations of Bacardis work in network of mostly private companies: Bacardi Co. of Puerto Rico sells to Bacardi Imports of Miami; both pay royalties to Bacardi & Co., Ltd. in Bahamas. Attempt to take one public co. private through 1-for-1,000 reverse stock split stalled 1987. Some 500 family members have interests in business worth over $1 billion.

Bancroft

Inheritance. Great-grandchildren of Clarence Barron (d. 1928) of Dow Jones empire (*Wall Street Journal,* Dow Jones ticker, Ottaway Newspapers, *Barron's*). Clarence's adopted daughter Jane married Harvard lawyer Hugh Bancroft (d. 1933). Fortune split among 3 children: Jane Bancroft Cook *(which see),* Jessie Cox, d. 1982 *(see William Cox Jr., Jane Cox MacElree),* Hugh Bancroft Jr., d. 1953. Hugh's 4 children inherited his share. Daughter Bettina Klink currently a Dow Jones director. Brothers Hugh and Christopher and sister Kathryn keep very low profile. Their one-third of trust holds some $570 million in Dow Jones stock.

Average estimated net worth of the family groups on these pages is about $750 million.

Barbey

Calif. et al. Heirs of John Barbey, who founded Reading Glove & Mitten Manufacturing Co. with 5 partners 1899. Sold inherited brewery business to buy out partners 1911, changed name to Vanity Fair Mills. First product: silk gloves. His son John (d. 1956), "fanatic for quality," early fashion designer. Became high-fashion merchandiser; manufactured parachutes WWII, introduced nylon fabric 1946, first to show off lingerie on live models in fashion shows 1949. Became VF Corp. 1970; now world's largest publicly owned apparel co. (Lee, Wrangler, Jantzen, etc.). None of 16 family members with co.; all are retired. Barbeys' 17% VF Corp. stock worth $340 million.

Bean

Freeport, Me. Descendants of Leon Leonwood Bean (b. 1872), outdoorsman, founder L.L. Bean, Inc. Owned Freeport dry goods store; inspired 1911 to put rubber bottoms on leather shoes. Ninety of first 100 Maine Hunting Shoes returned defective; introduced L.L. Bean guarantee, still in effect today. After Maine issued first hunting licenses 1919, sent catalogs in first-ever direct mail marketing campaign. Down-home approach: "I tried on the trail practically every article I handle." At death in 1967, at 94, sales $4.8 million. President and grandson Leon Gorman, now 53, increased advertising, further developed women's line: 1987 sales, $493 million. Granddaughter Linda Bean-Jones, 47, active Republican fundraiser. Estimated that 15 descendants control company worth over $400 million.

Belk

Charlotte, N.C. Descendants of brothers William H. and John Belk, who opened N.C. general store 1888. Did not allow credit, bought out competitors who did at discount during Depression; from 29 stores in 1920 extended empire to 220 stores in 1945. "I don't reckon we got a system, we just sell goods." About 25 descendants share ownership with local owner-managers of 340 department stores throughout Southeast. Family known for intrigue, feuds, lawsuits: William Henry Jr. ousted as chairman 1950s; tried, failed to thwart brother John's Charlotte mayoral career (1969-77). Family's share of business, estimated at average 55%, worth around $300 million.

Belz

Memphis. Three generations in real estate. Philip, 84, emigrated from Austria 1910 (with mother) at age 6. Partner with brother-in-law dry-goods business. Banker friend, noting extra land, suggested Belz let bank show him how to finance, develop. From that acre to real estate empire: over 750 tracts Memphis' Shelby County alone. Expansion into Nashville 1970s. Family rarely sells, few joint ventures, little debt. Early developers industrial parks. Ultradiversified: motels (Holiday Inns), shopping centers, office buildings, apts., farmland, off-price outlet malls across U.S. "Uncle Philip" to employees; others know him as "damn hard negotiator—but always keeps his word." Frustrated opera singer: Friend Robert Merrill told him to forget it. Two sons killed in plane crash 1963; third son, Jack, 60, now runs firm with third generation. Jack's son, Marty, heir apparent. Fortune believed to exceed $400 million.

Bingham

Louisville. Descendants of Robert Worth Bingham, lawyer, politician, ambassador to Britain. Married Mary Lily Kenan Flagler, one of nation's richest women, 1916; controversy surrounded her death one year later. Bought majority two Louisville newspapers—*Courier-Journal, Louisville Times*—from $5 million inheritance 1918; championed unpopular liberal causes. Died 1937; son Barry bought out siblings, added broadcasting. Advocated U.S. WWII involvement; served in Naval Reserve. Paper won 7 Pulitzers during his tenure. Son Barry Jr. editor, publisher 1971. Barry Sr. stepped in after highly publicized power struggle among siblings 1986; sold papers for $300 million, broadcast for $100 million, printing co. for $20 million (died Aug. 1988). At least 13 family members share fortune estimated $400 million.

Brown

Louisville. Descendants of George Garvin Brown. Distilled Old Forester whiskey with cousin 1870. Company became Brown-Forman 1890. Produces Jack Daniel's, Bolla and Cella Italian wines, Korbel brandy and champagne, Southern Comfort from 1979; California Cooler 1985. Lenox Inc. subsidiary acquired 1983: home furnishings, luggage (initiating poison pill defense). W.L. Lyons Brown CEO since 1983, Owsley Brown II president 1987. "Planned nepotism" company policy with one requirement: family member must hold at least 2 degrees before joining company. Also, hire relatives of employees. "We husband our resources carefully." Family stake in company valued at $615 million.

Bullitt

Broadcasting. Seattle. Pioneer C.D. Stimson amassed Seattle-area timber, real estate interests early 1900s (d. 1929). Daughter Dorothy, now 96, stepped in to manage on death of her husband, A. Scott Bullitt, prominent Northwest politician, in 1932. Out of boredom bought radio station 1947, then area's first TV station 1948: "The station came before the sets." King Broadcasting now 4 TV stations, 6 radio, 125,000 cable subscribers. Dorothy, who rafted Colorado rapids at 85, still on board; daughters Priscilla (Patsy) Collins, 67, Harriet S. Bullitt, 63, run company. Son Stimson, 68, manages Harbor Properties real estate; no share in family's 77% of King. Patsy: "Someone decides they want to buy us every week. Those letters go right into the wastebasket." Family believed worth over $480 million.

Cabot

Boston area. Descendants of shipbuilder John Cabot came to Mass. from Isle of Jersey 1700. Family in privateering during American Revolution, then amassed wealth through overseas trade, marriage; achieved distinction (sea captains, industrialists, doctors, lawyers, former Senator and UN Ambassador Henry Cabot Lodge). Cabot Corp. founded by Godfrey Cabot (nicknamed "Uncle God" for imperious demeanor) 1882; now world's leading producer carbon black, also operations in energy, other specialty chemicals and materials (1987 revenues, $1.4 billion). Sold majority of metals business in 1987 restructuring. Three first cousins: Louis Wellington Cabot, 67, director (retired as chairman 1986); John M. Bradley, 65, director; John G.L. Cabot, 53, executive VP. Family shares 32% Cabot Corp. worth at least $390 million.

Campbell

Hawaii et al. Family patriarch James Campbell left Ireland as stowaway aboard schooner bound for Canada 1839 at age 13; went to NYC to work for brother. Shipwrecked working on whaler; arrived Hawaii 1850; started sugar plantation, pioneered artesian wells, hoarded land called worthless; soon dubbed "Kimo Ona-Milliona" (James the Millionaire) by islanders; died 1900, left fortune to wife, 4 daughters. His estate now owns 80,000 acres in Hawaii, Oahu, Maui; also shopping centers, hotels, office and industrial buildings on mainland shared by 18 heirs. Campbell's last surviving daughter died 1987; trust dissolves 2007, when over 35 descendants expected to share estate now worth over $650 million.

Cargill & MacMillan

Origin: Minneapolis. Founder William W. Cargill, son of Scottish sea captain. Born Long Island, moved west, set up Cargill, Inc. predecessor 1865, quickly overtook grain-trade competition. Neighbor John Hugh MacMillan married Cargill's daughter 1895, became company president when William died 1909. MacMillans more active in what is now largest private company in U.S. (1987 revenues over $32 billion): the world's largest commercial grain trader; among top boxed-beef processors; has 312 businesses in 56 countries. Reputed best crop-market intelligence in world. Cargill and MacMillan families own 85% of company: 3 main branches hold 75% worth at least $2 billion, while other branches have 10% *(see individual Cargills, MacMillans, Keinath, Pictet).*

Chandler

Los Angeles et al. Times Mirror Co. Descendants of Harry Chandler (d. 1944), who worked at *Los Angeles Times* 1880s, married owner Harrison Gray Otis' daughter, rose from clerk to chairman. Built real estate/media empire. Son Norman used limited supplies to print news in *LA Times* during WWII, at expense of advertising; beat out rival *Examiner*'s many ads, less news for max. profits. Grandson Otis recently departed as editor-in-chief; co. in hands of nonfamily managers. Currently 7 newspapers including *Newsday* (N.Y.), *Baltimore Sun*; sold *Dallas Times Herald* 1986; *Denver Post* 1987. Also magazines, broadcast, cable TV, etc. Family's Times Mirror stock worth $1.5 billion.

Close

Fort Mill, S.C. Col. Leroy Springs, founded 250-loom Lancaster Cotton Mill 1895, took over Fort Mill Mfg. Co.; second wife Lena first woman nominated for U.S. Vice President, 1924. Son Elliott White Springs, WWI ace, inherited 5 cotton mills from father 1931. Masterminded famed ad campaign—"A buck well spent on a Springmaid sheet"—that wowed them in 1950s. Died 1959; son-in-law H.W. Close took over, d. 1983; Springs Industries one of nation's largest manufacturers sheets, pillowcases, etc. (1987 sales, $1.7 billion). Mrs. Crandall Close Bowles, 41, sole family director; also runs family businesses, Springs Cos. (management co.), and real estate, insurance, railroad. Mother, Anne Springs Close (daughter of Elliot), Crandall and 7 siblings share 58% Springs Industries stock. Fortune estimated at least $380 million.

Cohen

NYC area. Brothers Sherman, Edward and Mortimer (an erstwhile optometrist) sold Va. clothing busi-

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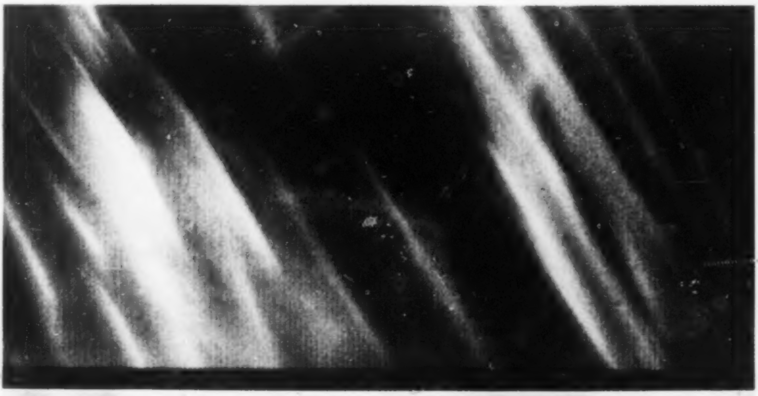

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ness, left for Yonkers, N.Y. Oldsmobile distributorship 1949; built first apt. project 1950s, moved full time into construction, real estate. Switched to NYC offices 1970, now control over 2 million sq. ft. office space; traded 6 properties for 3 prime Manhattan office buildings during office glut 1977 ("the most ingenious deal of the year"). Brothers litigious, difficult: "They function as if the real estate business were the Wild West." Building NYC office tower around holdout tenant. Sherm: "I don't concern myself with what other people say. My banks love me." Sherman, 65, deals; Edward, 70, builds. Mort died 1976, widow Estelle shares in some properties. Family worth at least $450 million. "If everyone in the real estate industry made a list of their least favorite people, the Cohens would be right at the top."

Coker

Sonoco Products. Hartsville, S.C. Descendants of Civil War vet James L. (The Major) Coker, who built bank, cotton mills, seed co., railroad. Family pre-dates Revolutionary War. In 1899 founded Southern Novelty Co. with $3,000 in capital to make paper cones to hold yarn in textile mills. Sonoco Products now $1.3 billion (1987 sales) international packaging co. with over 200 plants in 19 countries (largest plastic shopping bag manufacturer). Chief executive now Charles Coker, 55. Family, which numbers over 500, has 35% of stock worth $455 million.

Collier

Naples, Fla. Heirs (excluding Miles Collier, *which see*) of Barron Gift Collier, who quit school at 16 to sell street lanterns in Memphis. Early ad man, sold trolley car ads; moved his Consolidated Street Railway Advertising Co. to NYC early 1900s. Came to Fla. 1911, bought land; owned 1.3 million acres (county, high school, even a creek namesakes) at death 1939. Heirs' risk-averse strategy spurred split with grandson Miles; empire divided with coin flip 1980. Barron Collier Cos. small-time developer; owns 77,000 acres Fla. agriland, as well as 5,000 prime acres Naples, 4,500 acres citrus, oil rights, etc. Sold *Naples Daily News* 1986 for $160 million. Miles, other Colliers swapping 114,000 acres swampland and $38 million for 80 acres federal property in downtown Phoenix. Lamar Gable, Barron Collier Jr.'s stepson, heads over 15 Colliers who share their portion, worth at least $550 million. "We plan to be here a while."

Coors

Golden, Colo. Adolph Coors Co. founded by German immigrant Adolph Coors 1873, stowaway draft dodger. Brewery survived Prohibition by making malted milk, ceramics, near beer. Went public 1975, now fourth-largest producer in U.S. Single Coors brewery (world's largest), at Golden, Colo., vertically integrated, ensures beer uniformity. Shipped 15.6 million bbl. 1987, 8% of industry total. Grandsons William, Joseph, great-grandsons Peter, Jeff now run company. Family's antiunionism, ultraconservatism created controversy; accused of prejudice against women, minorities, homosexuals 1970s; anti-Coors demonstrations on entering N.Y. market 1987. Company countered with minority initiatives; settled labor-backed consumer boycott 1987 with agreement to unionize. Family owns all voting stock, 60% nonvoting, worth $450 million.

Cowles (Gardner)

Minneapolis, Des Moines et al. Descendants of Gardner Cowles Sr., who put $110,000 into feeble *Des Moines Register* 1903, added evening *Tribune*, built respected monopoly (d. 1946). Son John Sr. (d. 1983) pulled same trick with *Minneapolis Star* 1935; son Gardner (Mike) Jr. (d. 1985) founded *Look* magazine. Sold Florida papers to New York Times Co. for 23% of its stock 1971. Restless heirs forced more sales: Cowles Broadcasting to Oveta Culp Hobby *(which see)* 1984, *Register* to Gannett for $200 million 1985. Grandson David Kruidenier, 67, chairs thinly traded Cowles Media, now 4 dailies, 11 weeklies; fought sales: "but we got a good price." Over 70 heirs with 80% of Cowles, other investments, believed worth more than $800 million.

Cowles (William)

Spokane. Descendants of William Hutchinson Cowles, *Chicago Tribune* heir (also distant relative of Gardner Cowles, *see above*), "police reporter" with Yale law degree; moved west 1891, bought into Spokane *Spokesman-Review*. Gained control 1894, bought rival *Chronicle* 1897. Invested in timberland, started Inland Empire Paper Co. William Jr. added radio 1946, TV 1952. Now grandsons: James, 54, manages real estate, including downtown office space; William III, 56, publishes papers, races sailboat. Brothers dominate local media (TV, radio, monopoly newspaper) but don't talk to reporters. Banker friend: "They don't want the community to feel they're running things." Eight heirs share Cowles Publishing, large stake in Tribune Co., other assets, worth over $400 million.

Cullen

Houston. Descendants of Hugh Roy Cullen, legendary wildcatter who quit school in fifth grade to work in San Antonio candy factory for $3/week; in his early 20s successful Oklahoma cotton buyer; relocated Houston 1911, bought real estate on Ship Channel. Oil business in his 30s; first strike 1921 at age 40 by drilling deeper on abandoned fields. Founded Quintana Petroleum 1932. "If you can't make a living working 8 hours a day, work 12, 18 or 24 hours. That's what I did." Only son Roy killed in 1936 rig accident; Hugh Roy gave away $200 million in will. Two daughters, their husbands, grandchildren still have immense gas & oil reserves. Quintana run by executive committee of publicity-shy family members. Grandson Baron Ricky di Portonova waged 10-year litigation for bigger share of inheritance; lost 1984. Makes do with $10 million a year from mother's trust funds in Rome, Acapulco, Houston. More than 20 family members now share interest in fortune worth at least $1.3 billion.

Family Fortunes

Davis

Jacksonville, Fla. and various. Descendants of William Milton Davis, founder Winn-Dixie grocery stores. Opened first store 1925 in Miami suburb. Four sons built into largest grocery chain in Sunbelt. Now 1,246 stores; fifth largest in nation. Family averse to big government, called "J.P. Stevens of the food industry" by unions. Family: "We just believe in free enterprise." Generous employee profit sharing plan; political action committee. Grandson Robert handed chairmanship to cousin A. Dano 1988 to guide other family interests. "I'm just stepping down to give myself a little more elbow room." With 50,000-acre game preserve, Jacksonville ranch, 38% W-D stock, American Heritage Life Insurance holdings, family fortune worth over $515 million.

Dayton

Minneapolis. Dayton-Hudson Corp. Descendants of George Draper Dayton, founded Dayton's department store 1902. Son, horsebreeder George Nelson Dayton, took over 1938; raised 5 sons on isolated 800-acre farm to encourage familial ties, cooperation. By 1950 sons all in co. Added store 1954, first enclosed mall 1956. Then new outlets: Target, Mervyn's, Lechmere, B. Dalton Booksellers. Went public 1967. Tradition: 5% taxable income to community philanthropies. Last son retired 1983. "We have never played it safe, and we always looked very long range." 1987 revenues, $10.7 billion. Granddaughter, allegedly duped into vast donations by Bible Speaks Church, awarded $6.6 million settlement 1987. Family fortune about $780 million.

de Menil

Houston et al. Descendants of physicist Conrad Schlumberger, who developed first "well logging" device 1920s. Bonanza for oil exploration—fine-tuned location, depth of underground oil. U.S.S.R. first country to try Schlumberger, Ltd. (Conrad, a socialist, pleased). Company predominant in field over half-century. Daughter Dominique resettled with husband John de Menil in Houston WWII. Has amassed over 10,000 works of art ("What I admire, I must possess"), opened $27 million museum to house part of collection 1987. Five children have substantial art collections of their own. Dominique, family, have fortune estimated at least $400 million.

de Young

San Francisco et al. Descendants of Michel H. de Young, who founded *San Francisco Chronicle* with brother Charles 1865. Paper thrived on racy scandals, mudslinging. Charles shot dead in office by irate reader 1880; Michel survived assassination attempt. Juries acquitted both defendants. *Chronicle* fought Hearst paper for year before signing 1965 profit sharing pact. Paid estimated $250 million for Worcester (Mass.) *Telegram & Gazette* 1986. Chronicle Publishing now 6 dailies, 5 TV stations, cable (248,000 subscribers). Great-grandson Richard Thieriot, 46, publisher since 1977, but cousin Nan Tucker McEvoy *(which see)* has largest share. Nineteen heirs (excluding McEvoy) control two-thirds of *Chronicle Publishing*, worth $660 million.

Dikeou

Real estate. Denver and Orlando, Fla. Pronounced "D-Q." Father Panayes ("Pete," d. 1977) emigrated from Greece 1921, founded Colorado Popcorn Co. wholesaler with brother James. Entered more profitable real estate business with $2,200 Denver land purchase 1942. Dikeou Realty now owns 15 prime acres downtown Denver, at least 15 Fla. shopping centers, mostly Orlando area, occupied by small chain department stores (8 others breaking ground). Denver strategy: Buy small parcels well-situated downtown, be last holdouts in large-tract assemblage deals. Run by 3 sons: George, 57, John, 52, handle Denver operation; Deno, 50, oversees Florida office. Owns minor league Denver (baseball) Zephyrs; wants big league franchise. Net worth estimated $375 million.

DiLorenzo

NYC. Descendants of Alex DiLorenzo Jr., Brooklyn pharmacist-turned-realtor and neighbor of Sol Goldman *(which see)* 1930s. Formed partnership to buy Brooklyn, N.Y. apt. house 1951. Goldman-DiLorenzo Properties grew into NYC's largest landlord; then lost 40% holdings in 1973-74 NYC real estate crash, incl. Chrysler Building. Alex died 1975, parcels split by coin flip. Alex III: "There were a lot of properties and a lot of problems." DiLorenzo Properties now nearly 400 properties, most small, commercial "taxpayers"; many fee positions, net leases, etc. Owns landmark Washington Mews area in NYC's Greenwich Village; asking $100 million for land under St. Moritz hotel NYC: "That property, as they say on Wall Street, is in play." Alex III runs the show, brother Marc an up-and-comer. Sister, mother also benefit. Worth at least $500 million.

Disney

Los Angeles area. Heirs of Walter Elias Disney (d. 1966). Genius cartoonist attended art school in Chicago. Arrived in Hollywood with $40 in 1923. With brother Roy made animated cartoons for N.Y. co. starring Oswald the Lucky Rabbit. Conceived Mickey Mouse 1928, wife Lillian chose name over Walt's original idea, Mortimer Mouse. Walt Disney Co., the house that Mickey built, now includes theme parks, movies, the Disney Channel, etc. Also Epcot center; city of tomorrow, Walt's "last great vision." Receives royalties from Tokyo Disneyland; building Euro Disneyland outside Paris. Walt's widow Lillian, daughters Sharon, Diane control Disney Co. stock worth $440 million.

Donnelley

Origin: Chicago. Dispersed descendants of Richard R. Donnelley, apprentice saddlemaker Canada, started print shop Chicago 1864. Destroyed in 1871 Great Fire; rebuilt into R.R. Donnelley & Sons on good name, credit. Hit big time

1920s when son James won *Time* magazine contract. Company nonunion, pays union wages; thrice turned down *Playboy* printing contract. Diversified into mailing lists, direct mail, catalogs. Nation's largest commercial printer, 1987 revenues $2.5 billion. Reuben H. opened publishing firm (magazines, Yellow Pages), sold to Dun & Bradstreet 1961 for $80 million in stock. James Donnelley now only family board member. Family credo: "The family exists to serve the business—the business does not exist to serve the family." Some 75 descendants share over $900 million.

Duda

Oviedo, Fla. Czech immigrant Andrew Duda (d. 1958) left Cleveland, arrived Fla. 1911 to start religious farming community; went broke and back to Cleveland 1916. Returned 1926; planted 10 muckland acres of celery, family kept plowing profits back into company: "It was a good investment." Three sons: John, 83; Andrew Jr. (d. 1986); Ferdinand, 78 (none finished high school). Company passed to third generation 1977. A. Duda & Sons today $140 million in sales, 115,000 acres, one of nation's largest vegetable growers, still features celery. At least 60 family members share land, vegetable empire worth well over $600 million.

Heirs of Pierre Samuel du Pont II

Wilmington, Del. Descendants of Pierre Samuel du Pont de Nemours (1739-1817), French Physiocrat who fled revolutionary Terror for America 1800. Son Eleuthère Irénée, chemist's apprentice, founded gunpowder factory on Brandywine Creek 1802. Company and family prospered in 19th century, dominated Powder Trust of late 1800s. After family schism over control, Pierre S. du Pont II emerged as leading figure 1915. World War I munitions contracts lucrative, led to despised sobriquet "Merchants of Death." Rescued nascent General Motors 1920s, got about one-third interest. Also Hercules Powder Co., U.S. Rubber (later Uniroyal), etc. Childless, Pierre divided bulk of fortune among siblings, nephew before death 1958. His family branch built up Wilmington Trust. Dissident branches established Delaware Trust Co. *(see William du Pont family).* Numerous descendants of Pierre II siblings still control over 15% of Du Pont, the wealthiest du Ponts by far. This branch (including listed individuals) estimated to be worth over $6.8 billion.

du Pont (William)

Wilmington, Del.; Boston; Fla.; Wyo. Children of William Jr. (d. 1965). William Sr. (d. 1928) ostracized from family for divorce early 1900s. On wrong end of battle for Du Pont 1915; founded Delaware Trust to escape Pierre's Wilmington Trust *(see other du Ponts, family).* Retained huge holdings Du Pont stock, now held by grandchildren: Henry Eleuthère Irénée, 61, born William Henry, changed name 1973. Sued, with brother [illegible], to block bequest of aunt Marion du Pont Scott (d. 1983) leaving "Montpelier," estate of James Madison, to national historic trust. Henry wanted to live there; lost. His adopted children sued to inherit despite will leaving everything to lineal descendants of grandfather; they lost. Impenetrable trusts safeguarded Henry's inheritance from business losses. Jean Ellen (Mrs. William Mason Sheehan) and brother John sold 25% controlling interest in Delaware Trust 1981. Four siblings share fortune estimated at least $800 million.

Ford

Grosse Pointe, Mich.; NYC et al. Descendants of Henry Ford, legendary developer mass-produced automobile, founder Ford Motor Co. Built to preeminence, lost lead to General Motors failing to heed market demands. On death 1947, Ford Foundation became one of nation's largest philanthropic institutions. Only son Edsel died 1943. Grandchildren: Josephine, William *(see both),* Henry II, Benson. Company in disarray, Henry finally yielded 1946 to eldest, Henry II, then 26, who supervised Ford Motor overhaul from $8 million loss 1946 to $260 million profit 1950. Ran company to 1980; three wives, highly publicized misadventures. On handling such publicity: "Never complain, never explain." Died 1987; left 2 daughters (4 husbands between them), son Edsel II, 39, Ford director 1988; widow fighting trustee appointment. Benson (d. 1978), most social Ford, left 2 children. Rebellious son Benson Jr., 38, angered family by suing for control of father's estate, board seat. "We weren't exactly sure what he was doing." Now reconciled, works at Ford Motor. Five cousins share Ford stock and other investments worth $600 million.

Getty

Calif., London, scattered. Heirs of billionaire oilman Jean Paul Getty, who parlayed father George F. Getty's oil co. (founded 1903) into worldwide oil giant. J. Paul began litigious family tradition 1925 with first of five divorces; "playboy" largely disinherited by father for failed marriages. Stock in Getty Oil left to mother Sarah, who established Sarah C. Getty Trust 1934 for grandchildren, gave J. Paul control. Late in life ran business from Europe; kept "harem" at English mansion; reputed hypochondriac, miser; d. 1976. Known offspring: Gordon *(which see)*; Jean Paul II; Ronald; oldest, George (d. 1957), probable suicide; youngest, Timothy, died after tumor operation age 12. Ronald cut out of trust because of mother's large divorce settlement. Jean Paul II's son had ear severed in 1973 kidnapping; "Golden Hippie" permanently paralyzed since 1981 drug-induced stroke. Gordon eventually sole trustee (since removed); his ill-fated sale of Getty Oil shares to Texaco 1984 sparked family lawsuit orgy (11 total). Trust now controlled by Calif. judge, in T bills. Upon settlement, if and when, 4 family branches split $3 billion.

Goldman

Honolulu; Aspen, Colo.; Oklahoma City. Two sons of Sylvan Goldman (d. 1984), who built Humpty Dumpty grocery chain 1930s; invented, introduced the shopping cart. "This was the greatest innovation in self-service." Merged Humpty Dumpty chain into ACF-Wrigley (now Allied Supermarkets) 1955; with profits moved into real estate 1959; developed shopping centers, planned communities, hotels in Colo.; also the Southwest, Hawaii, Puerto Rico. Goldman Cos. now large presence Houston, Oklahoma City, also Ariz.; most properties owned under different trust names, corp. names, etc. Reputedly cash heavy; sold redone Kaiser Estate 1988 for $43.5 million. Alfred: 50. Single. Wharton grad, runs the show. Brother Monte: 53. Divorced, 2 daughters. Inactive, lives Aspen. Brothers worth at least $400 million. Alfred says higher: "If Malcolm will release his statement, I'll release mine. We both make a good living."

Goldman (Sol)

NYC. Heirs of NYC real estate billionaire Sol Goldman (d. 1987). Sol grew up Brooklyn; worked in family grocery store. Left 1930s, ignored Mom's advice ("Never leave the store, Sol. It's a gold mine"); scoured for Depression-era foreclosed properties. With Alex DiLorenzo Jr. built Goldman-DiLorenzo into NYC's largest, most leveraged landlord; Sol wheeled and dealed, Alex managed. Crashed early 1970s with NYC real estate (lost 40% of properties); split rest by flipping quarters with DiLorenzo heirs *(which see)* 1975. Recovered; at death owned over 5 million sq. ft. offices, 10,000 apts. Colleague: "He had the greatest nose for real estate I ever saw." Sol's will: one-third to wife Lillian *(which see)*; two-thirds to 4 children (including 25% in 21-year charitable trust). Kids' share, after 60% estate tax, etc., should be worth over $300 million.

Gund

Cleveland origin. Six children of George Gund Jr. (d. 1966). Harvard Business School grad, liquidated family brewing company during prohibition, bought Kaffee Hag (decaffeinated coffee firm) 1919; sold to Kellogg 1927—now Sanka at General Foods. Expanded real estate holdings; bought bargain-rate Cleveland Trust stock, became president 1941. Son Gordon: "He lived relatively spartan and he didn't spare the rod. We didn't know the extent of our wealth until his death." George III, Gordon own NBA Cleveland Cavaliers, NHL Minnesota North Stars, stadiums. Gordon, blind from retinitis pigmentosa, venture capitalist, Princeton, N.J. Agnes Saalifield, NYC, modern art collector. Brother Graham, famous Boston architect. Together 6 worth $750 million.

Haas

San Francisco. Bavarian immigrant Levi Strauss exploited Calif. gold rush selling pants made of tent canvas. Patented denim version 1873. Walter Haas Sr. (d. 1979) married Strauss grandniece, ran Levi Strauss & Co. 1928-55; created American institution. Walter Jr. took company public 1971. Son Robert, 46, now CEO after Peace Corps, Harvard M.B.A.; took company private again 1985 in $1.7 billion buyout as profits sagged. "We were overaggressive in our planning." Through layoffs, streamlining, restored profitability. Bought in 50% of debt. World's largest producer of jeans, revenues still growing: $2.9 billion. If cashed out now might net $600 million.

Haft

Father and children. Dart Group (retailing, real estate, greenmail). Washington, D.C. Herbert: 68. Married (beautician wife a Dart Group VP), 3 children. Son of pharmacist, began with neighborhood drugstore 1954. Early discounting pioneer: Developed own shopping centers (family-owned Combined Properties) when frozen out of existing malls. Sold 77-store chain 1984 to management group for $160 million. Profit for his nominally public Dart Group: $75 million. Dart owns 52.4% Crown Books, 66% Trak Auto. Vehicle for takeover attempts (Federated, May Dept. Stores, Supermarkets General, Dayton Hudson, etc.); reportedly made $130 million selling stock back to companies. Latest: Zayre Corp. and a $55-per-share bid for Kroger Co. countered by a $58.50 bid by Kohlberg Kravis Roberts & Co. Herbert paid $1.7 million for Embassy Row (D.C.) English Tudor mansion, razed to build a "mini-Versailles." Son Robert: 35. Married, 1 son. President Dart, CEO Crown Books. Harvard Business School grad. At 24 launched Crown (now over 200 discount book stores). Brother Ronald, 29, runs Combined Properties. Sister Linda, 37, exec. VP Dart's financial arm. Combined fortune exceeds $400 million.

Hillenbrand

Batesville, Ind. et al. Descendants of John A. Hillenbrand, grandson of German immigrant, went from lumber to casket industry turn of the century; bought bankrupt coffin co. 1906. Invention of gasketed closure mechanism enabled mass marketing of airtight, waterproof metal caskets post WWII. Began Hill-Rom Co. (hospital furniture) 1928; invented electric hospital bed. Today Hillenbrand Industries synergistic: leading manufacturer of burial caskets as well as electrically operated hospital beds. Also: American Tourister, Medeco Security Locks, SSI Medical Services; 1987 sales: $725 million. Low debt leaves cash for acquisitions, expansion. Stock more than recovered from 1987 crash damage; family's 62% worth $690 million.

Hixon

Pasadena. Joseph Hixon ensured family fortune with major investment in AMP stock; by 1959 held 45% of company that makes crucial connectors for electronics industry, computers. AMP now has about 18% of world market. Well favored on Wall St., institutions hold 74% of stock. Current generation merged family firm, Midland Investment, into AMP 1981. Joseph's son Frederick (d. 1978) settled in San Antonio, invested in ranches, oil. Another son, Alexander (AMP director until 1987), lives in Pasadena, travels, golfs (wife Adelaide sponsors women's golf tournaments). AMP holdings, if retained, now worth over $630 million.

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Houghton

Corning, N.Y. Descendants of Amory Houghton, started Corning Glass Works 1851; produced first glass light bulbs for Thomas Edison 1879. Acquired Steuben Glass; opened "swank" gallery during Depression. Company history as great innovator (glass bulbs, TV tubes, fiber optics, medical instruments, biotechnology). Fifth generation now dominates company, CEO James wants "not just . . . uncompromising quality"—out to make company "leaner, more focused." Requires all employees, even factory workers, to take statistics course to increase efficiency. Corning's 1987 revenues over $2 billion. Aggregate family stockholdings worth $400 million.

Hoyt

NYC area and Santa Fe, N.M. Princeton grad Henry Hamilton Hoyt left import-export business to join father-in-law's Carter Medicine Co., maker of Carter's Little Liver Pills, 1929. Hoyt anonymously bought control so he could cut dividends, develop products. "I believed in the axiom that a business cannot stand still. It either grew or disappeared behind its more enterprising competitors." Retained NYC chemist John Wallace to develop deodorant/antiperspirant; introduced Arrid 1935; Nair 1940; Rise shaving cream 1949. First ethical drug product: Miltown tranquilizer, 1955. Health care, including laxatives, analgesics, antibiotics, now 47% sales. Dropped "Liver" from name of pills after 17-year suit led to Supreme Court decision 1959. Added Pearl Drops tooth polish 1971, Trojan condoms 1985. Henry Sr., 93, now retired. Hoyt family's 58% stock worth $330 million.

Hunt brothers

Oil. Dallas. Three sons by first marriage of oil baron, bigamist H.L. Hunt *(see also Margaret Hill, Caroline Hunt, Ray Lee Hunt)*, who used poker winnings to buy untapped east Texas oilfields (d. 1974); considered world's richest man 1960s. Sons born speculators; attempt to corner silver market exploded 1980. Forced to sell major holdings in $1.1 billion Federal Reserve-arranged bailout. Subsequent oil patch decline put crown jewel Placid Oil in Chapter 11 1986, drilling arm Penrod in default. Nelson (Big Bunk) Bunker, 62, nondrinking gambler, John Bircher. William Herbert, 59, oversees real estate interests now severely in hock. Has father's contempt for high living, was seen in 2-hour gas line waiting patiently during 1979 crisis. Lamar, 56, cofounded American Football League at 26; owns Kansas City Chiefs, two amusement parks ("Worlds of Fun"). Rides subway when in NYC. Just after presenting plans for a $1.2 billion bankruptcy settlement, brothers hit with $134 million judgment from silver debacle (now being appealed), net of which believed worth over $600 million, but Nelson, Herbert filed Chapter 11 again in September, this time personally.

Idema

Wege

Hunting

Office furnishings. Grand Rapids, Mich. Peter Wege (d. 1947), sheetmetal craftsman and holder of six patents, had idea for fireproof metal office furniture; launched own firm 1912. Instant success with first metal wastebasket. Prospered in 1920s, survived Depression (worked longtime employees part time to keep them). In 1934 co. patented modern-day suspension file cabinet. Changed name to Steelcase 1954. Henry Idema (d. 1951) one of original investors; David Hunting (now 96) joined later, bought other investors' interests. Henry's son Walter set up tight financial control; daughter Mary married current CEO, Robert Pew, 65 (of Pew family, *which see*). Hunting became sales chief. Policies—tight controls, quality design, aggressive marketing, exclusive dealerships (over 500 today), good pay and benefits in nonunion shop—made Steelcase biggest name in office furniture (fiscal 1988 sales $1.6 billion, about 22% of market). Almost all Steelcase stock held by descendants of these three men. Shared fortune from Steelcase far exceeds $1.2 billion.

Johnson

Inheritance. Johnson & Johnson. Six children of John Seward Johnson (d. 1983). Court battle with Johnson's third wife Barbara Piasecka Johnson (*which see*) settled out of court. J. Seward Jr. received $12 million, others $5.9 million from estate. In addition, each child got trust 1944; today, if intact, each would be worth $110 million. Not all intact. Mary Lea Johnson Richards: NYC. 62. Coproducer with husband Martin of Broadway hits (22 Tonys so far) and movies (*Fort Apache, the Bronx; The Shining;* etc.). Her children taking her to court; claim she invaded trust for $3 million a year over last several years. 1986 settlement plus remaining trust assets worth $76 million. Elaine Johnson Wold: Boca Raton, Fla. 61. Husband, nonpracticing ophthalmologist, handles their investments. Worth $97 million. J. Seward Johnson Jr.: Princeton, N.J. 58. Sculptor (specializes in life-size groups—gets up to $45,000 for one of his works). Received largest settlement, including Cape Cod house, but invaded trust; worth $44 million. Diana Firestone: Waterford, Va. 56. With husband, raises Thoroughbreds; 1980 Kentucky Derby winner with Genuine Risk. Worth $73 million. Jennifer Johnson: Jacksonville, Fla., NYC. 47. Photographer and gallery owner in partnership with brother James. Her trust virtually intact, worth over $121 million. James Johnson: Oldwick, N.J., East Hampton, N.Y. 43. Operates New Jersey farm; also an accomplished painter (oils, representational). His trust, virtually intact, worth over $121 million. Visible total over $530 million.

Jordan

Retailing, publishing. Origin: Boston. With a dollar as capital, 14-year-old Eben Jordan left Danville, Me. in 1836; headed for Boston. Worked as farmhand, errand boy. At 29 (with partner Ben Marsh) founded Jordan Marsh 1851 (later sold to Allied Stores). Along the way invested heavily in *Boston Globe.* Prominent among Jordan heirs: Dorothy (Mrs. Randolph A.) Kidder, her 2 children. Husband ambassador, briefly, to Cambodia 1964. She is beneficiary of about one-third of Jordan trust. Its assets now primarily 28% ownership of Affiliated Publications. Trust ends 1996. New Class B voting shares should ensure control of AP remains with Taylor family (*which see*) if Jordans want to sell out. Fortune exceeds $550 million.

Kelley

Honolulu. Roy Cecil Kelley landed in Hawaii 1929 after USC architecture study. Glimpsed Waikiki's future as middle-class "tourist factory." Designed hotels, borrowed $10,000 to construct six-unit house 1933. Built first hotel 1947: no frills, low rates, high occupancy: "An empty hotel room is an opportunity lost forever." Expanded steadily into 23-hotel, over 8,000-room Outrigger chain, now largest in Hawaii. Roy, 83, retired; company managed by son Richard, 54, Harvard-trained as pathologist. Daughter, several grandchildren, in-laws also in business. Added 2 hotels 1986, began managing others (first management contract signed 1988), claims substantial debt. Combined fortune (including Roy's stock portfolio, other real estate) at least $500 million.

Kennedy

Boston origin. Son of middle-class Boston Irish, Joseph P. Kennedy boasted he would make a million by age 35, borrowed to take over bank age 25; played stock market, sold out before Crash on shoeshine boy's tip; later, as first head of SEC, outlawed tactics that made him rich. Married daughter of Boston Mayor John F. (Honey Fitz) Fitzgerald 1914; ambassador to Court of Saint James's for FDR. Some of 9 children carried on political dynasty: John F., senator, President; Robert F., senator, Attorney General; Edward M., senator. In third generation Joseph P. Kennedy II has Tip O'Neill's old House seat; cousin Patrick has R.I. House seat. Joe Sr. died 1969, left trusts, real estate (including Chicago Merchandise Mart), oil and gas interests, stocks managed by family's Park Agency estimated over $600 million.

King

Short Hills, N.J., NYC, Calif., etc. Charles King (d. 1972), pioneer radio syndicator 1930s; hit by advent of television; formed TV syndicator King World Productions 1964. Sons Roger, Michael took over, hit jackpot early 1980s buying rights to *Wheel of Fortune, Jeopardy!*—total 1987 revenues: $240 million. Also *Oprah Winfrey Show*. Michael: "I'd rather be lucky than smart; get them both and it's outrageous." Four siblings hold nearly 10% King World stock apiece: Roger, 44, chairman; Michael, 40, CEO; Diana, 39, VP; Richard, 47. Sister Karen quit 1986, her reduced stake now 5%. Eldest brother Robert sold out for $1.7 million before company went public 1984. Roger sentenced 1987: two years' probation on auto theft, cocaine charges; entered alcohol treatment center. King World bought Buffalo TV station for $100 million. Family worth over $300 million.

Kleberg

King Ranch, Tex. Richard King, Rio Grande steamboat captain, bought Spanish land grants south Texas 1850s. Robert Kleberg beat him in a lawsuit; married his daughter. Bob Jr. sold drilling rights to Humble Oil (now Exxon) 1933; first wildcat strike 1945. Annual royalties hit $100 million in early 1980s. Now one-third that. Oil profits put into ranching. Developed high-bred, humpbacked Santa Gertrudis cows, now 40,000 head on an 825,000-acre ranch (bigger than Rhode Island). Also Fla. farm, Ky. horse farm, Australia ranch. Since 1984 hard times in oil and cattle have driven traditionally paternalistic family to cut no. of employees drastically. This year first nonfamily board appointed, headed by Darwin Smith of Kimberly-Clark. About 60 heirs. Despite drought, total assets believed worth $1 billion.

Kohler

Kohler, Wis. origin. John M. Kohler bought iron foundry 1873; enameled a hog scalder and sold to local farmer for 1 cow, 14 chickens. Expanded to sinks, toilets, etc. Son Walter pioneered color-coordinated fixtures 1920s; Wisconsin governor 1929-31. Grandson Walter Jr. also governor (1951-57). Founder's grandson, Herb Jr., 49, current family leader, company pres. and chairman. After brief stage career, worked throughout company, took over 1972. Natural at marketing: "I felt we could change the whole function of the bathroom and make it stimulating, possibly even social." Last year broke new barrier: "It took us 114 years to reach $1 billion in net sales and $50 million in net income. The next plateau should come a bit sooner." Family worth at least $460 million.

Lawrence

NYC area. Heirs of Sylvan Lawrence, whose great-grandparents planted roots of NYC real estate empire 1860s. Sylvan flirted with college twice, sold bikes for father-in-law NYC. Drugstore soda jerk 1946; big brother Seymour Cohn *(which see)* asked him to join family real estate firm. Bros. gradually made own deals, Seymour put firm in Sylvan's name as lucky charm; built large lower Manhattan office empire, at peak some 12 million sq. ft. Seymour: "Being brothers we had a tremendous edge. We went to work together, we came home together. We always worked Saturdays. Sundays we'd talk real estate." Sylvan battled cancer; after death 1981, co. sold many properties for $600 million, kept 4 NYC buildings. Seymour: "I never looked at it as if we were two people. We were one." Sylvan's heirs' interest at least $460 million.

Lilly

Indianapolis et al. Descendants of Col. Eli Lilly, Civil War vet who opened chemist's shop downtown Indianapolis 1876, after disastrous cotton farming attempt in Miss. Lilly's laboratory had 4 employees. Son Josiah K. took over 1901. Grandsons Eli, J.K. Jr. turned Lilly into major drugmaker, 1987 revenues $3.6 billion. Introduced first commercial insulin 1920s; barbiturates 1930s; encouraged early production of antibiotics 1940s; Salk polio vaccine 1950s; marketed first drug based on gene-splicing technology (Humulin) 1982. Diversified into medical equipment, agricultural chemicals, animal health products, cosmetics (Elizabeth Arden, sold 1987). Lawsuits: Oraflex, DES, Darvon 1970s-80s. Established $2 billion charitable trust for Indiana educational, religious, black institutions. No Lillys now in top management; only 2 branches, some 10-15 members, share fortune worth $1.2 billion if co. stock still held.

Lykes

Florida, New Orleans et al. Descendants of Dr. Howell Tyson Lykes (d. 1907). Gave up medicine to become Florida rancher 1870s when inherited 500 acres near Brooksville. Acquired more, with his 7 sons amassed fortune raising, shipping cattle to Cuba. Moved to Tampa 1895; expanded to other regions, branched into shipping 1940s. Lykes Corp. added insurance, banks, real estate, citrus, steel. Merged with LTV Corp. 1978; escaped mostly unscathed from famous LTV crash 1986. Bought back steamship line 1983: "Like losing a member of the family." Own 60% Glades County, other Fla. properties (350,000 acres) plus large Texas ranch. Great-grandson Thompson Lykes Rankin, 48, heir apparent. Some 200 family members share empire worth at least $900 million.

Mack

NYC and Long Island, N.Y. Heirs of Russian immigrant Philip Mack, who founded turn of the century construction/demolition co.; son H. Bert, and H. Bert's sons, built Mack Co. into pioneer suburban commercial development: industrial sites N.J. Meadowlands 1960s, office parks 1970s. Now over 11 million sq. ft. industrial space, 5 million sq. ft. office. Also projects Tampa, Fla., N.J. and Ariz.; some venture capital plays. Moved on Wall Street 1980s: backed Paul Bilzerian in 1986 Hammermill Corp. bid, profit to Bill, Earle and Bilzerian $58 million; Arkansas Best 1988. With partner, reportedly offered $80 to $85 million for Eddie

Chiles' Texas (baseball) Rangers 1988. Brothers William, Earle, David, Fred run Mack Co.; worth at least $500 million.

Mandel

Shaker Heights, Lyndhurst, Ohio. Premier Industrial Corp. Three brothers, Jack, 76, Joseph, 74, and Morton, 67, pooled $900 in 1940 to buy uncle's auto-parts shop. Found lucrative market niche for nuts, bolts and obscure auto parts to low-volume, high-paying customers. Went public 1960. Now leading distributor electronic components, maintenance products. Steadily growing business grossed $459 million 1987. Chairman Mort: "Our destiny is for Premier to be a multibillion-dollar, multinational company." Private, civic-minded, charitable. Support Cleveland rejuvenation. Brothers' 40% of Premier plus other holdings greatly exceed $550 million.

McClatchy

Sacramento, Calif. et al. Descendants of James McClatchy, Irish immigrant reporter for Horace Greeley's *New York Tribune.* Helped start *Sacramento Bee* 1857; later bought by family. Grandson Carlos added *Fresno Bee, Modesto Bee;* died young. Granddaughter Eleanor (d. 1980) took over 1936. Used papers for political purposes, shunned publicity, built wall around her home: "I'm content to have people think I live in a cave and wear horns." Her nephews Charles Kenny (C.K.), 61, and James, 67, now in charge; also liberal but not a political force. Bought floundering *Anchorage Daily News* 1979, now crushing competitor. Took co. public 1988. Eight family members control 99% of vote through exclusive Class B stock worth over $400 million.

McDonnell

St. Louis. Family of James S. McDonnell Jr., founder of McDonnell Aircraft Corp. 1939. "Mr. Mac" fascinated with paranormal, early fighter planes named Devil, Voodoo and Phantom. Designed, built Mercury space capsule used for John Glenn's earth orbit. Merged with Douglas Aircraft 1967. Died 1980; nephew Sanford succeeded as chairman. "Sandy" retired March, succeeded by James' son John F., 50. James III, 51, VP. McDonnell Douglas today nation's largest military contractor: 68% of $13.3 billion sales (1987). Leader in fighter aircraft; also makes commercial jetliners, missiles, space systems. Developed MD-11, new long-range transport aircraft. Lately, govt. cutbacks, competition, Justice Dept. fraud and bribery investigation. John: "We are not aware of any improper conduct." McDonnell family stock, other assets worth at least $350 million.

McGraw

NYC et al. Founder James H. McGraw, schoolteacher, hawked magazine subscriptions on the side, 1880s. In exchange for back pay, took stake in sick railroad publication; revived it. By late 1920s owned 20 magazines and book business. McGraw-Hill now $1.8 billion (sales) information conglomerate: magazines, 4 TV stations, Standard & Poor's, information systems. Major textbook and trade journal publisher. Grandson Harold W. Jr., 70, joined as book salesman 1947. Fended off $1 billion takeover by American Express 1979. Retired April 1988. Wants son Harold W. III (Terry), 38, who runs financial services division, to take over some day. Still takeover target: one of few independent publishers left, run by outsider. At least 30 scattered descendants share 20% McGraw-Hill and other holdings worth around $635 million.

Mead

Consolidated Papers. Wisconsin Rapids, Wis. George W. Mead left Illinois furniture store for Grand Rapids 1902 to settle affairs of deceased father-in-law; ran hydroelectric, paper conglomerate until qualified paperman found. Stayed 59 years; built first electrically powered paper machines; turned profits back into co.; died 1961. Son Stanton, now 88, modernized co. during presidency (1950-66); conservation, forestry philanthropist, retired 1966. Grandson George II, 61, worked around company 14 years before presidency; later chairman. Company sales for 1987: $743 million, high-grade magazine paper. Still have first account, also FORBES'. "We have no strategy here, no grand design." At least 80 family members share 41% worth over $800 million.

Mellon

The Plains, Va.; Ligonier, Pa. Heirs of Ailsa Mellon Bruce (daughter of Andrew Mellon) and Richard King Mellon. Ailsa's grandchildren recipients of generous trusts. Their parents, Audrey Bruce (Ailsa's daughter) and Stephen Currier, died in Bermuda Triangle plane crash 1967. Maternal grandfather, David K.E. Bruce, ambassador to four countries; Congress adjourned on wedding day, 1929. Ailsa died 1969. Grandson Michael, 27, active in family investments for himself and sisters Andrea C. Patterson, 32, and Lavinia, 31. Richard King Mellon branch: grandson of Judge Thomas Mellon (d. 1908), R.K. dominant businessman in family ("I hire company presidents") from 1930s to death 1970. Son Seward (Pross) director Mellon Bank, president family investment firm, Richard K. Mellon & Sons. Brother Richard tried banking, switched to conservation, oceanography; chairman Richard King Mellon Foundation. Sister Cassandra Milbury active philanthropy, public affairs. Combined net worth, including trusts, of these two families should exceed $1.2 billion. *(See also other Mellons, May, Scaife.)*

Murphy

Murphy Oil Corp. El Dorado, Ark. Banker Charles Sr. (d. 1954) acquired land, timber, struck oil 1907 in La. Son C.H. Murphy Jr. started own oil-producing co. at 16 with $5,000 from grandfather, took over for ailing father at 21, went public 1956. Studied classics at home: "I don't care a thing about business schools. They don't teach people to think. You get that from the classics." Built integrated co. with intl. refineries and reserves. Recent im-

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provement in refining margins helped revive co. from profits slump. Charles Jr., 68, retired as CEO 1984; still chairman, 3 sons in co.: Charles III (Chip), 35; Madison, 31; Michael, 40. 50 descendants' 35% stake worth $600 million.

Nordstrom

Seattle. Swedish teen John Nordstrom immigrated to U.S. with $5 in 1888, went west. Learned English as mine worker, lumberjack; settled in Seattle, opened shoe store 1901. By his death (1963), family had built largest independent shoe chain (27 stores), diversified into women's fashion; added menswear 1968. Nordstrom Inc. now leading fashion retailer (1988 sales, $1.9 billion, 48 stores), known for exceptional customer service. "When the customer talks, we jump." Founder's grandsons James, Bruce, John run show. Opened first East Coast store near Washington, D.C., bought out minority shares in family-owned Seattle (football) Seahawks 1988, now looking to sell. With stock, other assets now worth at least $1 billion.

O'Connor

Victoria, Tex. Descendants of Thomas O'Connor (d. 1887), Irish immigrant as teenager early 1830s; fought in Texas War of Independence 1836. Built 500,000-acre ranching empire in south Tex.; passed on to 2 sons who expanded, experimented with cross-breeding cattle; developed Braford variety more adaptable to Gulf Coast climate, now about 350,000 acres in Tex., more out-of-state. Huge oil discoveries on their land 1931. Tom O'Connor field still one of richest in Texas; huge royalties. Also banking, to keep the money: large stake Victoria Bancshares chain. Senior family members Dennis, 81, Tom, 72, still hold directorships, tight rein over family dealings. Ranching tradition, ties to land strongly emphasized: "We're just caretakers for the next generation." Publicity-shy; no jet-setting: "The cows and horses wouldn't understand that." About 30 family members share fortune exceeding $425 million.

Pew

Philadelphia. Publicity-shy descendants of Joseph Newton Pew Sr., teacher/real estate salesman who founded Sun Oil Co. 1886; pioneered techniques to cap, transport natural gas in western Pa. Bought into massive Spindletop gusher 1901; expanded Texas oil explorations; died at desk 1912. Son J. Howard took over 1912-47; picked nonfamily successor, then came out of retirement to head co. 1963-69. Strict Presbyterian, Republican, teetotal family traditions; informal affiliation with John Birch Society. Great-great-grandson of founder, Andy Pew, 51, head of Sun subsidiary, now only family member in co.; also sits on board of Pew charitable trusts. Large, dispersed family spread all over U.S., estimated to share 6% Sun Co. stock worth over $360 million.

Phipps

Pittsburgh origin. Henry Phipps (1839-1930), son of Philadelphia cobbler, grew up Allegheny, Pa. Became partner with neighbor Andrew Carnegie, pioneered Bessemer steelmaking process. Took $50 million in stock on sale to J.P. Morgan 1901. Moved to NYC. Established Bessemer Trust (1907), split among 5 children. Trust part of Bessemer Group, owned by Phippses. BG now manages over $5.3 billion for outside clients, $1.5 billion for Phippses. Average 9.8% return 1987. Family in fifth generation; some 150 members living mostly in NYC, Fla. Litigation, ill will over trust management. Phipps heirs include Howard Phipps, sister Anne Sidamon-Eristoff, who share estimated $400 million portion; socialite Guests (including publicity sponge Cornelia), etc.; share investment portfolio, real estate, shipping, energy interests worth estimated $1.9 billion.

Pigott

Seattle. Descendants of William Pigott Sr. Founded Pacific Car & Foundry 1905, logging equipment co. turned railcar manufacturer. Purchased Kenworth Trucking Co. in 1945. Paccar Inc. now $2.4 billion (1987 revenues) heavy truck manufacturer: Kenworth, Peterbilt Motors Co. Also manufactures, retails equipment for oil and mining cos.; auto parts. With solid demand for heavy trucks, profits expected up 50% in 1988. William's grandchildren: Charles, 59, chief executive, chairman of Paccar: stepped down as president of Boy Scouts of America 1988. James, 52, still on board, now owns management consulting firm. "I left Paccar because I have an entrepreneurial bent." Over 30 family members are believed to own 40% of Paccar. Stock plus other assets worth over $610 million.

Pitcairn

Bryn Athyn, Pa. et al. John Pitcairn, Scottish immigrant, formed glass-making factory on Allegheny River 1883. Fight with partner created competing companies: PPG and Libbey-Owens-Ford. Pitcairn's PPG expanded to chemicals. Family are cofounders, benefactors Swedenborgian church in Pa.; John's son Raymond designed cathedral. Last Pitcairn in PPG retired 1935, though family members on board. Heirs retained 14% equity until 1985. Holding company dissolved 1985. Assets now managed by Pitcairn Financial Mgmt. Group. After decades of secrecy co. now opening doors to high net worth families: money manager; estate-, financial-planning; information systems. Claim $1.4 billion assets, with church trusts. Family assets estimated at $650 million.

Pulitzer

St. Louis et al. Descendants of Joseph Pulitzer (1847-1911), penniless Hungarian immigrant settled in St. Louis after Civil War, paid $2,500 for bankrupt *Dispatch* 1878; encouraged muckraking, yellow journalism. Later merged with *Post*; bought out partner. Purchased *New York World* 1883; built into dominant U.S. paper, now defunct. Founded first journalism grad school, Columbia 1903; established Pulitzer Prizes. Pulitzer Publishing now 4 dailies, over 80 weeklies, 7 TV, 2 radio stations. Dissident family members bought out for $187 million 1986; result: 18% public offering. Family trust, controlled by grandsons: Joseph Jr., 75, half-brother Michael, 58, cousin David Moore, 64, retains 98% voting power. Joseph Jr.: "I was not trained by my father to liquidate." Fortune exceeds $440 million.

Richardson

Greensboro, N.C., Connecticut et al. Pharmacist Lunsford Richardson sank life savings ($8,000) in small N.C. drugstore; sold 1907 to finance creation: Vicks Vaporub (named after brother-in-law). "I had seen a vision, I had dreamed dreams of a worldwide business." Dream realized: Post-WWI flu epidemic quadrupled sales. Son H. Smith Sr. (d. 1972) developed Vicks Chemical into international firm, later renamed Richardson-Merrill Inc. (Cepacol, Bendectin). Sold to Dow Chemical 1981 for $80 million stock, created Richardson-Vicks (Clearasil, Nyquil). Reluctantly merged with Procter & Gamble for big profit 1985. Family's conservative investments include two venture capital forays (Vanguard Cellular Systems, Hanbro International), real estate. Close familial ties; quarterly newsletter, biennial meetings. Over 200 descendants share fortune worth over $550 million.

Robins

Richmond, Va. Albert Hartley Robins founded A.H. Robins drug firm 1866; grandson E. Claiborne joined business 1933 (sales, $4,800), hit the road selling. By 1948 sales $1 million; made Robitussin, Chap Stick, Sergeant's pet products. Beginning of end with Dalkon Shield 1971, over 4.3 million sold in 3 years. Birth control device not recalled after complaints of harmful effects, deaths; pulled from U.S. market 1974. Federal judge refused co. request to consolidate litigation 1984: "Confession is good for the soul, gentlemen. Face up to your misdeeds and rectify this evil situation." Company filed for bankruptcy 1985 after 330,000-plus claims filed, $530 million in settlements paid. Observer: "What we see here is that they were intending to fight these cases out, one by one." Accepted $3-billion-plus buyout by American Home Products 1988, of which at least $2.3 billion to trust fund for Dalkon Shield victims. Family gets AHP stock; with other assets, worth over $300 million. Justice?

Rockefeller (John D.)

NYC et al. Descendants of John D. Rockefeller, world's first billionaire, founder of Standard Oil. Accounting clerk who saved money, invested in merchant grain business 1858; put $4,000 into oil refining 1863 as sideline, changed mind. By 1870, Standard Oil capitalized with $1 million, went on to form legendary monopoly. Furor over Standard Oil trust led to breakup 1911. To marry Abby Aldrich, only son John Jr. gave her father long, earnest recitation of his financial prospects (Mr. Aldrich approved). Between them father, son gave over $1 billion to charity before 1960, when $1 billion still a lot of money. Jr. had 6 children: daughter Abby, sons J.D. III, Nelson, Winthrop (all deceased) and surviving sons Laurance, David. John D. III (d. 1978) had 4 children: John D. IV (Jay) worked as Peace Corps adviser, Appalachian social worker. Governor W.Va. (1977-84), now U.S. senator (spent over $12 million on race); rumored considering presidency. Nelson (Rocky) (d. 1979) gregarious leader of brothers' generation; liberal Republican, 4-term governor New York, three-time contender for Presidency, Ford's Vice President: Left 4 children by first marriage, 2 by second wife Margaretta (Happy) Fitler Murphy. Fledgling real estate ventures by some. Abby Mauzé (d. 1976): Had 2 daughters; Abby Milton O'Neill trustee Rockefeller Brothers Fund, investments handled by husband George. Sister Marilyn Milton (d. 1980), left fortune to 2 daughters. Three branches' combined share of family fortune estimated over $2 billion. Total fortune estimated $4.8 billion *(see also David, Laurance, Winthrop Rockefeller)*.

Rockefeller (William)

Greenwich, Conn.; NYC et al. Founding father William Rockefeller (1841-1922), genial brother of

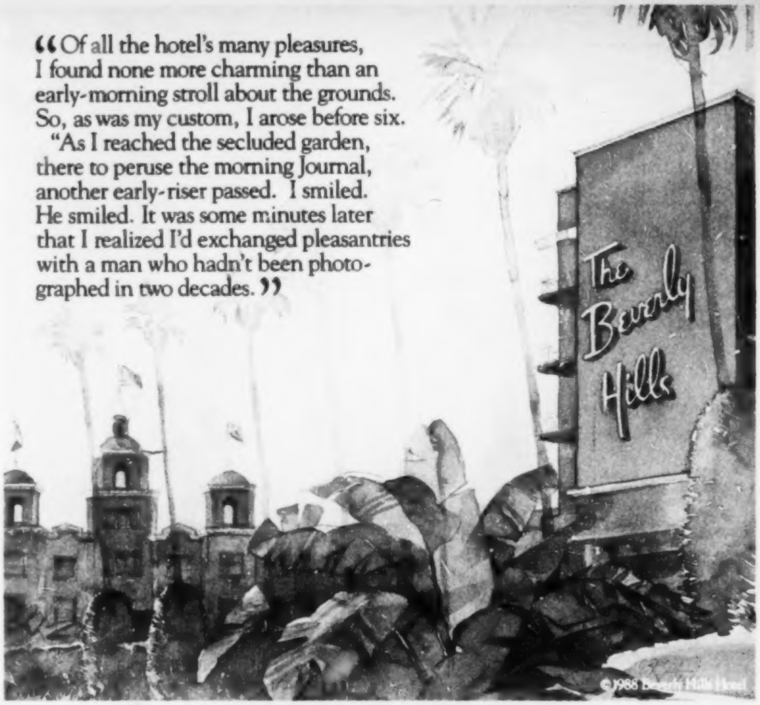
John D. Rockefeller, ran Standard Oil of N.Y. (now Mobil) until trust busted 1911. Controlled as much as 12.5% of trust, plus extensive RR, utility stocks. Two sons married daughters of James Stillman, head of National City Bank of N.Y. (now Citibank). Daughters married into McAlpin, Dodge fortunes. Family holds energy stocks, land in Greenwich; conservative, decentralized management of assets, some run by Andrew Rockefeller, 59, William's great-grandson. Some 75 heirs share in fortune believed well over $350 million.

Rose

NYC. Jerusalem-born David (d. 1986) cofounded Rose Associates with brother Samuel (d. early 1960s) in Bronx 1920s, later moved on to Manhattan. David built firm into one of NYC's oldest, biggest apt. builders, managers; Samuel's sons Frederick, Daniel and Elihu (all Yalies) now run Rose. Company owns, manages apts., office space NYC, Boston, D.C. Fred builds, Dan plans, Elihu manages (associate: "Just like Larry, Moe and Curly"). Brothers keep low profile, claim little equity: "We're working furiously to become big enough to justify inclusion. In the meantime, we're just folks." NYC real estate peers vehemently assert otherwise; safe estimate: over $350 million. Family friend: "You're way under on them."

Rosenwald

Pa., NYC et al. Julius Rosenwald (d. 1932), mail-order pioneer, gained control Sears, Roebuck after founders sold out (Alvah Roebuck, 1895; Richard Sears, 1913). Built into largest merchandise retailer in world. Envisioned company as central to people's day-to-day lives: "the buyer for the American farmer." In Sears' dark hours of 1921, bailed out company with own money. Carried in to work by his chauffeur just before he died. Family said to hold much well-hidden stock plus other investments. Son Lessing (d. 1979), former chairman, assembled major art collection; grandson Julius II owns about $3 million in Sears stock. Son William, 85, today believed richest member, over 90% American Securities Corp.; daughter Elizabeth Rosenwald Varet owns $12 million



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"As I reached the secluded garden, there to peruse the morning Journal, another early-riser passed. I smiled. He smiled. It was some minutes later that I realized I'd exchanged pleasantries with a man who hadn't been photographed in two decades."

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stake in Ametek, Inc. Grandson Edgar Stern only descendant on Sears board, owns stake worth $12 million. Total family fortune believed $300 million or more.

Scripps (E.W.)

Origin: Cincinnati. Inheritance, newspapers. Grandchildren of populist publisher Edward Wyllis Scripps (d. 1926), who launched *Cleveland Press* at 24. "Damned old crank" founded UPI, built nation's onetime largest newspaper chain, Scripps Howard. Many properties since sold or folded. Family long feuding: E.W. broke early from half-brother James *(which see)*. Grandson John P. formed own chain 1928, merged back 1986. Son James G. left to start Scripps League 1931, still solo. E.W. Scripps Co. recently taken public: holds newspapers, majority of public Scripps Howard Broadcasting (TV, radio, cable); family controls 81% E.W. Scripps Co. Shares in 1922 trust until last of 4 grandchildren dies, then split among 28 heirs; as a group worth over $1.2 billion.

Scripps (J.E.)

Detroit. Descendants of James Edmund Scripps (1835-1906), English immigrant who arrived in Illinois 1844 with new concept: simple, punchy articles for "people's press," big change from purple prose of the time. Sold family farm, borrowed heavily, started tabloid *Detroit* (evening) *News* 1873. Successful formula applied elsewhere. Bitter split with half-brother E.W. *(which see)* early 1900s. Daughter married Scripps executive George Booth, who founded separate chain. Heirs ran cos. independently. Booth Newspapers sold for $300 million 1976 (34% family stake), Evening News Assn. sold to Gannett for $717 million 1985; president, Peter Clark, 59, now Gannett director. Over 50 descendants share fortune worth some $780 million.

Segerstrom

Orange County, Calif. Charles John Segerstrom came to U.S. from Sweden 1882, arrived Orange County 1898 with wife, 11 children. Started farming on 40 leased acres, built up land holdings with four youngest sons; died 1928. By 1950s C.J. Segerstrom & Sons nation's leading grower large lima beans. Family still farms 180 acres, but third generation, led by Henry, 65, and Harold Jr., 60, diversified into real estate after WWII. Crown jewel: South Coast Plaza, largest mall in U.S., estimated $600 million sales, 2.7 million sq. ft. Zoning referendum holding up development of Costa Mesa office space. Led drive to build Orange County Performing Arts Center. Henry, mother Ruth, 90, cousin Harold partners in firm with equity over $500 million.

Shoen

Phoenix, Ariz. 7 sons and 5 daughters of Leonard Samuel (L.S.) Shoen. Worked as barber while in college, expanded to 4-shop chain in med school. Later, in Navy, dreamed up idea of move-it-yourself business: U-Haul, founded Ridgefield, Wash. 1945 with $3,000 in home-designed trailers. Gave 95% of stock to kids; Dad kicked out 1986, age 70. U-Haul now recovering from 1987 slump, liquidated Mover's World. Profits up from $2 million to $13.5 million. "I expect 1988 profits to be more than that in the first quarter alone," says Edward (Joe), 39, chairman of parent Amerco, president of U-Haul. Father, now 72, with 2%, still in the wings. Private company worth at least $300 million.

The total estimated net worth of the family groups on these pages is $75 billion.

Smith

Origin: Chicago. Illinois Tool Works predecessor established 1912 by 2 Swedish toolmakers; eventually acquired by Smith family, also controlled Northern Trust Corp., "the bank of choice for Chicago's upper crust." Innovative company on cutting edge of fasteners industry (screws, bolts, washers, etc.); early 1960s milestone: plastic six-pack carrier. Diversified into packaging, computer keyboards, medical supplies. "We are very happy because we have a lot of small things going on around here." Large, too: over 30 domestic as well as 30 foreign plants. Fifth generation on board: Edward Smith, Harold Byron Smith, both 79; Harold Jr. chairs executive committee. Family controls at least 27% ITW, 22% Northern Trust worth over $600 million.

Stone

Chicago. Joseph H. Stone left Russia about 1890, with sons Marvin and Norman, $2,300. Became jobber of wrapping paper, twine in pre-Depression Chicago. At father's death 1936, sons (including youngest, Jerome) built first corrugated-box plant, expanded through acquisitions. J.H. Stone & Sons became Stone Container Corp. 1945. Current Chairman/CEO Roger talked family out of $125 million Boise Cascade buyout offer 1979: "A lot of people thought we were a little crazy" to hold on. Not so crazy: Stone Container stock up 1,589% since Roger took over 1979. Acquisitions of last 5 years helped increase sales tenfold since 1979, to $3.2 billion (fiscal 1988). Two surviving Stone brothers (Norman d. 1985), with family, control 24% worth $485 million.

Stroh

Detroit. Eighteenth-century German brewers. Young Bernard arrived Detroit 1850 with $150;

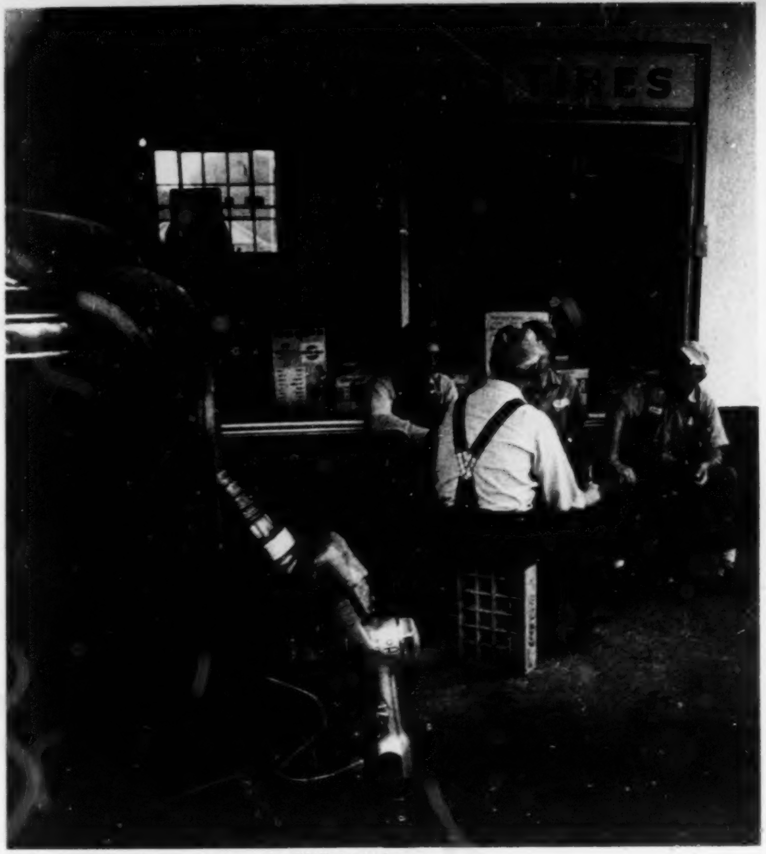
brewed beer, delivered barrels door-to-door with wheelbarrow. Stroh brewery grew slowly, survived Prohibition by making ice cream (still does). Lately seeks to survive by going national. Great-grandson and CEO Peter, 58, persuaded family to buy F&M Schaefer for some $70 million 1981; then Schlitz for 70%-financed $500 million 1982. Now third-largest U.S. brewery: nearly 22 million barrels, 16 beers, 1 cooler, 2 nonalcoholic drinks. Family now developing Detroit real estate at Stroh River Place. Four Strohs dominate private co.; almost 30 family members own stock worth $700 million.

Stuart

Bellevue, Idaho; Los Angeles. Grandfather Elbridge Amos Stuart founded Carnation Co. 1889 in Kent, Wash. Paid $25,000 for evaporated milk process; sold milk to prospectors en route to Yukon gold rush. Company grew, added Coffee-mate, Instant Breakfast, Friskies; sold to Nestlé 1985 for $3 billion. Grandson Elbridge, 71, married to paleontologist Marion Butler Stuart; Carnation VP until 1961 split with father (Elbridge Sr., d. 1972) over latter's autocratic policy. Jr. raises cattle, alfalfa on secluded ranch; also site of Marion's private geologic museum. Dwight, 64, co. pres. 11 years, resigned 1983; wife, Maria, daughter of Philippines ex-senator Sergio Osmena. Grows alfalfa on 2,500-acre Calif. ranch. Stockholder suit alleging Carnation and Stuart brothers misled public prior to Nestlé takeover settled out of court last year for $13 million (complainants sold stock while Carnation, negotiating with Nestlé, claimed not to know reason for sharp increase in price. But Nestlé official had warned would end discussions if any word leaked to public). Combined fortune worth over $375 million.

Swig

San Francisco. Heirs of Ben Swig, who joined partner Jack Weiler *(see family)* in real estate. Ben moved to San Francisco 1946, Jack stayed NYC. Ben dubbed "fastest checkbook in West" for philanthropy to Jewish, Catholic causes. Together built, bought commercial, hotel, residential properties; Swig, Weiler & Arnow now controls over 5 mil-



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lion sq. ft., mostly NYC, SF. Own ritzy Fairmont Hotel chain (New Orleans, SF, Dallas, etc.); bought Weilers' 50% interest in hotels for estimated $180 million 1982. "They were nongrowth oriented. We felt differently." Also co-own SF office buildings with Walter Shorenstein *(which see)*. Sons of Ben run Swig empire: Mel, 71, does deals; brother Richard, 63, heads hotels; brother-in-law Richard Dinner, 67, retired. Philanthropic with education, Jewish causes; active Democrats; share fortune believed to exceed $550 million.

Taylor

Publishing. Origin: Boston. Fading *Boston Globe* revived 1872 by General Charles H. Taylor. Paper's management dominated by succeeding three generations. William O., 56 (married, 3 children), great-grandson of the general, current chairman of umbrella company Affiliated Publications, Inc. Jordan trust *(see Jordan family)* held 10 million shares, ends 1996. To ensure control, Taylor set up Class B stock in May, via 2-for-1 split. New stock has 10 votes per share; limited transfer rights to keep voting stock in Taylor family. Profits mostly fed back to paper. Notable exception: $82 million investment in McCaw Cellular Communications Cos. *(see McCaws)*. Huge paper return in a few years: over $1.3 billion, AP owns 47% equity in McCaw. Taylors maintain modest lifestyle largely out of public eye. Fortune estimated at least $600 million.

Temple

Origin: Diboll, Tex. Descendants of Thomas Louis Latane Temple Sr., who founded (Temple Industries predecessor) Southern Pine Lumber Co. 1893 with 7,000 acres timber in East Texas. Son Arthur inherited 200,000 acres, $2 million debt 1934; turned business around; merged with Time Inc. 1973, by then half-million-acre forest earning $9.6 million a year, overseen by innovative grandson Arthur Jr., who developed "perpetual forest," selective harvesting. Arthur Jr., 68, Time vice chairman 1978-83, now chairman Temple-Inland; spun off 1984. Son Arthur III (Buddy), 47, served 4 terms in Texas house, ex-chairman Texas Railroad Commission, lost race for governor 1982. Now chairman Exeter Co., family real estate development co. Temple family stake in T-I, Time, etc., believed worth $950 million.

Upjohn

Kalamazoo, Mich. Descendants of Drs. Henry and William Erastus Upjohn. W.E. invented, patented first dissolvable pill for accuracy of dosage. Brothers founded Upjohn Pill and Granule Co. 1886. Developed Phenolax, premier flavored laxative (mint) 1908. Co. grew: Kaopectate; pioneered oral digitalis tablet for heart patients; also first to mass-produce antibiotics during WWII; went public 1958. Upjohn's wonder-drug Rogaine, antibaldness treatment approved in Canada, Europe 1988, recently approved by FDA. Xanax, Halcion (central nervous system agents) big winners 1987. Also Asgrow Seed Co.; produces agronomic, vegetable seeds. Family believed to hold 20% of stock, other, worth $1.4 billion.

Watson

Origin: Armonk, N.Y. Heirs of Thomas John Watson, "the world's greatest salesman." Born New York 1874; $6-a-week bookkeeper, later sold sewing machines, caskets, pianos. After NCR gig, became head Computing-Tabulating-Recording Co. 1914; "professional manager," took salary, piece of profits over equity; gradually bought shares. Renamed co. International Business Machines 1924; conceived mottoes "THINK," "World Peace Through World Trade." Saw first commercial computer from Univac; took dominant place in new market, enjoyed some success as IBM. Sr. died 1956, left 4 kids (2 now deceased); Thomas Jr. ran co. until 1971. Led computer explosion: mainframes, circuit boards, silicon chips. IBM now world's most profitable co. (sales $54.2 billion, earnings $5.3 billion). Thomas Jr., 74, U.S. ambassador to U.S.S.R. No Watson still with IBM, but family believed to hold stock worth over $330 million.

Wattis

Origin: Ogden, Utah. Descendants of Edmund O. Wattis, who cofounded Utah Construction 1900 with Mormon banker David Eccles. Heavy construction company first built railroads, then bridge and Hoover, Grand Coulee dams; other government projects. Prolific Eccles family's shares dispersed; Wattises held theirs. Grandson Edmund Littlefield named chairman 1971, insisted on one condition: wouldn't hire founders' relatives. Steered Utah Intl. out of construction business. Diversified into coal, copper mining; early contracts with Japan. Family held 14% when UI sold out to General Electric 1976 in then-largest merger ($2.2 billion). Littlefield, one surviving aunt (Phyllis Wattis) and 13 other relatives hold GE shares worth about $900 million.

Weiler

NYC. Descendants of Jack Weiler, 84, who operated in NYC while partner Ben Swig *(see family)* handled Boston, then San Francisco. Brokered leases for retail chains 1940s, 1950s; bought commercial, residential properties. Swig, Weiler & Arnow now controls some 5 million sq. ft., mostly NYC, SF, some elsewhere. Swigs bought Weilers' interest in tony Fairmont Hotel chain (San Francisco, Dallas, etc.) for estimated $180 million 1982; families still partners NYC, SF buildings. Some SF office buildings with Walter Shorenstein *(which see)*. Jack, lavish contributor Jewish causes, spends much time with charity; son Alan, 54, co. attorney; son-in-law Robert Arnow, 64, also active. Weilers, less active than Swigs, share fortune estimated at least $500 million. Jack: "If you take us off your list, it won't break our hearts."

Weyerhaeuser

St. Paul, Seattle et al. Frederick Weyerhaeuser (1834-1914) came from Germany, at 18 found work in Ill. sawmill. Later bought with friend from 1857 bankruptcy. Applied manifest destiny to logging,

Family Fortunes

cut swath from St. Paul to Pacific. Bought 900,000 acres at $6/acre from RR magnate James Hill 1900; formed Weyerhaeuser Co. At one time had interests in some 200 Weyerhaeuser-related companies. Earlier cut-and-run methods outraged Teddy Roosevelt, but co. pioneered tree farming in 1940s, now considered "best of the s.o.b.s." "This is not for us or our children. It is for our grandchildren." Great-great-grandchildren not doing too badly either. Today nearly 250 descendants including great-grandson and CEO George share 10% Weyerhaeuser, 33% Potlatch, 15% Comshare, etc., etc., estimated worth over $1 billion.

Whittier

Southern Calif. Descendants of Mericos H. Whittier, who cofounded Belridge Oil 1911 with 4 others; served as president until death in 1925. Son Leland president 1965 to 1979. Two families sold out to Texaco, Mobil 1930s; Whittier, Buck, Green families *(see Dolly Green)* sold to Shell for $3.6 billion 1979. Largest takeover at time, their combined stake 56%. Mericos' 4 children, grandchildren received $475 million after taxes. Family still holds interest in M.H. Whittier, small oil company. Helen Whittier Woodward (d. 1984) donated eye institute to Scripps Foundation, Asia Complex to San Diego Zoo. Family extremely secretive "for safety's sake." Proceeds from Belridge sale believed now worth $700 million.

Wirtz

Chicago. Descendants of Arthur Wirtz (King Arthur to friends), son of Chicago cop. Bought Chicago real estate 1920s, after U. Michigan; took advantage of Depression bargains, eschewed mortgages. With grain speculator Jim Norris (d. 1966) acquired string of sports teams, arenas, including Madison Square Garden. Empire overthrown in 1957 antitrust suit. Norris' daughter sued family for damages in stock fraud case, but statute of limitations ran out. Arthur died 1983; oldest son William oversees family's liquor distributorship (among the largest in Illinois, Minnesota), real estate, banking, hotel interests in Chicago. Family interests in Chicago (hockey) Black Hawks, (basketball) Bulls. City seeking new sports complex at old Chicago Stadium owned by family. Two sons, 2 daughters share fortune estimated at least $500 million.

Wolfe

Columbus, Ohio et al. Descendants of brothers Robert F. and Harry P., creators of 19th-century fortune hinged on Wear-U-Well shoes. Diversified into media: bought *Columbus Dispatch* 1905; later added broadcast interests. Empire now includes *Dispatch*, 2 TV, 2 radio stations, *Ohio* magazine, banking and real estate interests. Extremely influential Republican force in Ohio; founder's grandson John W., 60, "stands alone as the top banana in town." John W. and cousin John F. head 14-member family, control 2.5% National City Corp., have 10% stake in Ohio Co. (investment bank). Family assets worth at least $550 million.

Yates

Artesia, N.M. Patriarch Martin Yates Jr. drilled first commercial well on New Mexico side of Permian Basin 1921; family lore says he dug dry holes until wife picked spot that yielded gusher. Built pipeline, refinery 1920s, sold refinery in Depression. Martin's 4 sons: Harvey, Saint Clair Peyton (S.P.), Martin III, John built Yates Petroleum; disastrous foray into mining forced Harvey to cash out to brothers 1963; rebuilt own oil fortune. Grandson Harvey Jr. on way up with Cibola Energy Corp., but Yates Petroleum still predominates in N.M. Third generation active in company. S.P., John and Martin's widow share Yates Petroleum, plus other small interests, worth $380 million.

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Dropouts

The crash of 1987 hurt members of The Forbes Four Hundred, but not as much as one might think. Of last year's roster, 22 fell off because their stock declined, 4 died and 26 were passed by stronger fortunes or removed for other reasons.

Who left the list?

DIED

Bernhard, Arnold. Westport, Conn. Estimated $390 million fortune (Value Line, Inc.) 1987. Died Dec. 22, 1987. Survived by wife, 2 children *(see Jean Bernhard Buttner).*

du Pont, Pierre Samuel III. Rockland, Del. Estimated $300 million fortune (Du Pont inheritance) 1987. Died Apr. 9, 1988 at age 77. Survived by 3 children. *(See siblings Willis du Pont, Edith du Pont Pearson, other du Ponts, below; see also du Pont family.)*

Goldman, Sol. NYC. Estimated $1.1 billion fortune (real estate) 1987. Died Oct. 18, 1987 at age 70. Survived by wife Lillian *(which see)*, 4 children *(see Sol Goldman family)*, his mother, 2 brothers and 1 sister.

von Platen, Ruth Chandler. San Marino, Calif. Estimated $300 million inheritance (Times Mirror Co.) 1987. Died Dec. 10, 1987 at age 90. Survived by husband, 3 children *(see Chandler family).*

DECLINED

Andreas, Dwayne Orville. Bal Harbour, Fla. 70. Estimated $230 million stock holdings (Archer-Daniels-Midland Co.) in 1987, but Soybean King's stock took a beating in last year's Wall Street crash. Visible net worth below minimum this year.

Bainum, Stewart Sr. Silver Spring, Md. 69. Estimated $250 million fortune (Manor Care) 1987. Health care stock at $18 in 1987 sank below $12 in 1988, dragging net worth below minimum.

Berrie, Russell. Englewood, N.J. 55. Estimated $420 million net worth (Russ Berrie & Co.) 1987. Stock slid 50% in stock market shakeup, under minimum.

Colket, Tristram C. Jr. Paoli, Pa. 50. Estimated $240 million fortune (Campbell Soup) 1987. Personal Campbell stock holdings down; visible net worth below minimum for now *(see uncle John Dorrance Jr., cousins Dorrance Hill Hamilton, Hope Hill van Beuren).*

Furst, Austin Owen Jr. New Canaan, Conn. 45. Estimated $230 million fortune (Vestron) 1987. Even switch to movie production and runaway success of *Dirty Dancing* couldn't hold up the stock of this videocassette distributor confronting a Hollywood that now distributes its own videos.

Littlefield, Edmund Wattis. Burlingame, Calif. 74. Estimated $245 million fortune (GE stock, real estate) 1987. Stock giveaways coupled with weak market put fortune below minimum *(see Wattis family).*

Mandel, Jack N. Shaker Heights, Ohio. 76. Estimated $240 million fortune (Premier Industrial Corp.) 1987. Stock decline puts fortune below Forbes Four Hundred minimum. *(See brothers Joseph and Morton, below; see also Mandel family.)*

Mandel, Joseph C. Lyndhurst, Ohio. 74. Estimated $240 million fortune (Premier Industrial Corp.) 1987. *(See brothers Jack, above, Morton, below; see also Mandel family.)*

Mandel, Morton Leon. Shaker Heights, Ohio. 67. Estimated $240 million fortune (Premier Industrial Corp.) 1987. *(See brothers Jack and Joseph, above; see also Mandel family.)*

Milliken, Minot King. NYC. 72. Estimated $325 million fortune (textiles, investments) 1987. Decline in Mercantile Stores Co. stock, downward revaluation of Milliken & Co. put estimated fortune below minimum *(see cousins Roger, Gerrish Milliken).*

Milstein, Monroe Gary. Burlington, N.J. 61. Estimated $250 million fortune (Burlington Coat Factory Warehouse) 1987. Stock fortune crashed with the market on Black Monday. Net worth now far below Forbes Four Hundred minimum.

Nielsen, Arthur Charles Jr. Winnetka, Ill. 69. Estimated $315 million fortune (Dun & Bradstreet) 1987. D&B stock recovered somewhat from market crash but still down over 20%. Fortune below minimum in 1988.

Ottaway, James Haller Sr. Campbell Hall, N.Y. 77. Estimated $255 million fortune (Dow Jones) 1987. Declined with market crash, stock sales. Below minimum for now.

Paxson, Lowell W. Clearwater, Fla. 53. Estimated $3[illegible] million fortune (Home Shopping Network) 1987. HSN stock recently $3.50 a share (versus $15.50 in 1987). Easy come, easy go *(see also Roy Speer, below).*

Pontikes, Kenneth Nicholas. Barrington, Ill. 48. Estimated $295 million fortune (Comdisco) 1987. Stock in his $1.1 billion (1987 sales) computer leasing firm down nearly 40% from 1987.

Price, Sol. La Jolla, Calif. 72. Estimated $325 million fortune (Price Co.) 1987. Retailing woes in 1988 knock off another one. Fortune below minimum for this year.

Smith, Frederick Wallace. Memphis. 44. Estimated $295 million fortune (Federal Express Corp.) 1987. Fax machine frenzy, competition from UPS took bite out of stock price. Fortune below this year's minimum.

Speer, Roy Merrill. Clearwater, Fla. 56. Estimated $600 million fortune (Home Shopping Network) 1987. Sagging earnings, a lawsuit, short-sellers hammered this "fad" stock down 77% from 1987 *(see also Lowell Paxson, above).*

Spiegel, Abraham. Beverly Hills. 82. Estimated $300 million fortune (Columbia Savings & Loan) 1987. Stock decline coupled with reappraisal of holdings put him below minimum.

Syms, Sy. Lyndhurst, N.J. 62. Estimated $240 million fortune (Syms Corp.) 1987. Stock decline puts him below minimum this year.

Weber, Charlotte Colket. Ocala, Fla. and NYC. 45. Estimated $240 million inheritance (Campbell Soup) 1987. Campbell stock down somewhat, visible net worth below minimum for this high-profile giver.

Wexner, Bella. Columbus, Ohio. Late 70s. Estimated $365 million stock fortune (The Limited, Inc.) 1987. Stock decline in sluggish fashion industry puts fortune far below minimum this year.

LEFT BEHIND

Cantor, Bernard Gerald. Beverly Hills and NYC. 71. Estimated $225 million fortune (securities brokerage) 1987. Weaker market values for brokerage houses after the crash make net worth estimate more uncertain.

Fleischer, Ernest Melvin. Kansas City, Mo. 55. Estimated $320 million fortune (Franklin Savings Assoc.) 1987. Owns smaller percentage of Franklin than previously estimated. Fortune now believed less than $225 million.

Haft, Herbert Herman. Washington, D.C. 68. Estimated $225 million fortune (retailing, real estate) 1987. Black Monday plunge in Dart Group stock puts fortune below this year's minimum for individuals. *(See Robert Haft, below; also Haft family.)*

Haft, Robert Michael. Washington, D.C. 35. Estimated $225 million fortune (retailing, real estate) 1987. *(See Herbert Haft, above; Haft family.)*

Lusk, John David. Newport Beach, Calif. 80. Estimated $225 million fortune (real estate) 1987 surpassed by stronger fortunes.

Spielberg, Steven Allen. Beverly Hills. 40. Estimated $225 million fortune (motion pictures) 1987. In spite of terrific year at box offices and video stores, uncertainty over movie earnings (and plenty of stronger fortunes) turned a 1987 debut into a 1988 close encounter.

Weinberg, John Livingston. NYC. 63. Estimated $225 million fortune (Goldman, Sachs & Co.) 1987. Postcrash Wall Street woes mean that even the cream of the investment banking crop might not be worth what it once was.

REALIGNED

Bancroft, Christopher. Denton, Tex. 37. Estimated $225 million fortune (Dow Jones inheritance) 1987. Stock decline puts visible fortune below Forbes Four Hundred minimum. *(See siblings Hugh Bancroft III, Kathryn Bancroft Kavadas and Bettina Klink, below; see also Bancroft family.)*

Bancroft, Hugh III. Newport Beach, Calif. 39. Estimated $225 million fortune (Dow Jones inheritance) 1987. *(See siblings Christopher Bancroft, above, Kathryn Bancroft Kavadas and Bettina Klink, below; see also Bancroft family.)*

Bredin, Octavia Mary du Pont. Greenville, Del. 75. Estimated $240 million fortune (Du Pont inheritance) 1987. Estimate less certain postcrash; widely dispersed fortune among multiple du Pont heirs now covered in family group. *(See siblings Constance du Pont Darden, Irénée du Pont Jr., Lucile du Pont Flint, Margaretta du Pont Greenewalt, Irene du Pont May, Eleanor du Pont Rust, Mariana du Pont Silliman, below; see also Pierre Samuel du Pont II family.)*

Darden, Constance Simons du Pont. Norfolk, Va. 84. Estimated $240 million fortune (Du Pont inheritance) 1987. *(See Octavia du Pont Bredin, above, other du Ponts, below; see also du Pont family.)*

du Pont, Irénée Jr. Montchanin, Del. 68. Estimated $240 million fortune (Du Pont inheritance) 1987. *(See Octavia du Pont Bredin, above, other du Ponts above and below; see also du Pont family.)*

du Pont, Willis Harrington. Palm Beach, Fla. 52. Estimated $300 million fortune (Du Pont inheritance) 1987; estimate less certain postcrash. Widely dispersed fortune among multiple du Pont heirs merits regrouping into family section. *(See siblings Pierre du Pont III, above, Edith du Pont Pearson, below, other du Ponts; see also du Pont family.)*

Flint, Lucile Evelina du Pont. Greenville, Del. 73. Estimated $240 million fortune (Du Pont inheritance) 1987. *(See Octavia du Pont Bredin, above, other du Ponts, above and below; see also du Pont family.)*

Greenewalt, Margaretta Lammot du Pont. Greeneville, Del. 86. Estimated $240 million fortune (Du Pont inheritance) 1987. *(See Octavia du Pont Bredin, above, other du Ponts, above and* *below; see also du Pont family.)*

Hearst, Hope Chandler. Beverly Hills. 67. Estimated $500 million fortune (Hearst Corp.) 1987. Husband David's (d. 1986) share of Hearst fortune controlled by their children. *(See David Hearst and Millicent Baoudjakdji.)*

Kavadas, Kathryn Bancroft. Waban, Mass. 36. Estimated $225 million fortune (Dow Jones inheritance) 1987. *(See siblings Christopher Bancroft, Hugh Bancroft III, above, Bettina Klink, below; see also Bancroft family.)*

Klink, Bettina. Los Angeles. 47. Estimated $225 million fortune (Dow Jones inheritance) 1987. *(See siblings Christopher Bancroft, Hugh Bancroft III, Kathryn Bancroft Kavadas above; see also Bancroft family.)*

May, Irene Sophie du Pont. Wilmington, Del. 87. Estimated $240 million fortune (Du Pont inheritance) 1987. *(See Octavia du Pont Bredin, above, other du Ponts, above and below; see also du Pont family.)*

Pearson, Edith du Pont. Montchanin, Del. 76. Estimated $300 million fortune (Du Pont inheritance) 1987. *(See siblings Pierre du Pont III, Willis Du Pont, above, other du Ponts; see also du Pont family.)*

Rust, Eleanor Francis du Pont. Thomasville, Ga. 81. Estimated $240 million fortune (Du Pont inheritance) 1987. *(See Octavia du Pont Bredin, above, other du Ponts, above and below; see also du Pont family.)*

Silliman, Mariana du Pont. Montchanin, Del. 77. Estimated $240 million fortune (Du Pont inheritance) 1987. *(See Octavia du Pont Bredin, other du Ponts, above; see also du Pont family.)*

REMOVED

Alkek, Albert. Victoria, Tex. 77. Estimated $310 million fortune (oil, stocks) 1987. Continued oil industry weakness and unclear stock holdings at this point make net worth difficult to determine.

Koll, Donald Milton. Newport Beach, Calif. 55. Estimated $300 million fortune (real estate) 1987. Uncertainty concerning equity and ownership of projects puts him off this year's list.

Rock, Arthur J. San Francisco. 62. Estimated $225 million fortune (venture capital) 1987. Uncertainty resulting from secrecy surrounding his holdings encouraged removal in favor of better-substantiated fortunes.

Smith, Marian Uldine Day. Atlanta. 54. Estimated $300 million inheritance (Days Inns) 1987. Fortune was overstated.

Near Misses

What happens if you're the 401st richest person in the U.S.? You save your money, work hard, and hope for better luck next year. Life is hard.

Class of '89?

Joseph Dahr Jamail

Law. Houston. 62. Married, 3 sons. Son of Lebanese immigrants; claims relation to Lebanese President Amin Gemayel. WWII Marines hitch, U. of Texas law school 1953, "King of torts" since: at least 75 settlements over $1 million. Won $10.5 billion (largest ever) damage award in historic Texaco-Pennzoil case 1985 ("labor of love" for longtime pal, Pennzoil chairman Hugh Liedtke). Partied with friend Willie Nelson night before trial summations: "Now that's how you get ready for a closing argument." Settled case for $3 billion 1987. Joe's cut: over $300 million. After full tax, should be worth at least $220 million. "After personal injury law, this business litigation is a f------ cakewalk."

Donald Joseph Laughlin

Gambling. Laughlin, Nev. 57. Separated, 3 children. As Minnesota boy, took home $400 a week renting slot machines to bars, restaurants. Quit school 9th grade at principal's ultimatum: school or gambling. "I was making more money than he was." With cop crackdown, moved to Las Vegas 1952; bought 101 Club casino. Sold 1966 to ~~buy~~ bankrupt bar, 8-room motel and bait shop for $225,000 on Colo. River; now 760-room Riverside Resort & Casino (1988 gaming revenues, $80 million). Bordertown Laughlin (pop. 3,000, near Ariz.) a "blue-collar gambling" mecca; riverfront land over $1 million an acre. Casino, land, etc. worth at least $220 million.

John Calvin Portman

Real estate. Atlanta. 63. Married, 6 children. Stint in Navy, then Ga. Tech. Built Atlanta trade show facility 1961, ignoring architects' no-developing creed: "I'm the Medici to my own Leonardo." Big splash with 23-story Atlanta Hyatt atrium 1967. Designed, built office/hotel projects worldwide taking small pieces of many pies: Peachtree Center (Atlanta), Embarcadero Center (SF), huge project in China. Bad reviews on Detroit's Renaissance Center: "World's most vexing pile of steel and concrete." Wrestled 12 years with $375 million Marriott, NYC. "I didn't want to do schoolroom additions, I wanted to leave footprints in the sand." Footprints now total some $220 million.

Ted Mann

Movie theaters. Los Angeles. 65. Divorced, remarried (to actress Rhonda Fleming); 2 daughters. Son of North Dakota homesteaders; raised in Minneapolis. Built Midwest movie theater chain; sold 1968, kept some real estate. To LA mid-1960s. Bought ailing 270-theater National General chain for $67 million 1973, including venerable Grauman's Chinese Theatre—change to Mann's Chinese not well received. Rebuilt chain through trades, construction; sold with nearly 400 screens for $245 million 1986: "He had the golden touch." Still manages theaters; produces movies, invests in production companies. Assuming capital gains tax, net worth believed at least $215 million.

Avron B. Fogelman

Real estate. Memphis, Tenn. 48. Married, 3 sons. After Tulane, joined family real estate business; built first duplex apt. Memphis 1962 with brother Robert. Established Fogelman Props. 1978, now 18,000 upscale units Memphis, Atlanta, Nashville, etc.; heavy building 1980s with cheap money: "It was my decision to hit it a good lick." Co-owns Kansas City Royals (1985 Series winners) with Marion Labs founder Ewing Kauffman *(which see)*: pioneered lifetime contracts giving players real estate equity: "The buildings will pay for the players." Avron believed worth around $200 million. Kauffman: "All I know is if I call him for $2 million, I get it in 24 hours."

Alan Gerry

Cable TV. Liberty, N.Y. 59. Married, 3 children. Joined Marine Corps at 17; then to electronics school, early student of TV 1949. Started putting up TV towers in rural N.Y. State, first cable system in hometown Liberty 1957: "just trying to get a good picture on the three networks." Bought radio stations (later sold); had 80,000 cable subscribers 1981, after acquisition binge Cablevision Industries now has almost 900,000 subs (15th-largest U.S. operator). Recently cut tax-free stock swap with Robert Bass *(which see)* for Wometco's cable. Though debt is considerable, his 95% should be worth over $200 million. "I figure I've got another 20 years before I start to get tired."

Richard Paul Simmons

Steel. Sewickley, Pa. 57. Married, 2 children. Father ran small Bridgeport, Conn. gas station; Dick studied metallurgy at Massachusetts Institute of Technology. Joined steelmaker Allegheny Ludlum 1953; left for competitor but returned 1968, steel division pres. 1972. Led $195 million LBO of Allegheny Ludlum's specialty steel unit 1980. Survived steel industry doldrums even with 21% interest payments. Took Allegheny Ludlum public 1987, market cap now $650 million. Dick: "Who in their right mind could have anticipated that?" Fanatic for cost controls, information systems; survived perforated ulcer 1968: "Now I try to give 'em instead of get 'em." Stock, other assets, worth $200 million. "It's sort of the old American dream."

Glenn Robert Jones

Cable TV. Denver. 58. Divorced, 3 children. Disarmed bombs for Navy; after University of Colorado law degree represented growing cable firms. Lost bid for Congress 1964. Borrowed $400 against Volkswagen to buy first system 1966. Strung cable himself: "I went from lawyering to working in the bucket of a bucket truck." Used tax benefits of limited partnerships to grow: "It was more appropriate for cable than oil and gas, you didn't have dry holes." Through public Jones Intercable, Jones Spacelink, now 13th-largest (1.07 million subscribers) U.S. cable operator. Big fees from his private firm that brokers systems, partnerships. Writes capitalism-inspired poetry. Worth at least $200 million.

Ralph Milton Lewis

Real estate. Upland, Calif. 68. Married, 4 sons. UCLA-educated CPA, started building homes Upland, Calif. 1955 (area 40 miles east of LA now called "Inland Empire"). Expanded to Las Vegas 1961, then to San Bernardino County. Lewis Homes now a $400-million-a-year (sales) homebuilding machine; over 3,000 units built per year. Ralph buys land, sits on it: "If someone is going to speculate on our property it will be us." Goldy, Ralph's wife of 47 years, partner in home design; sons—Richard, Robert, Roger, Randall—each run divisions. Ralph: "Whatever we do, we do together." Mild stroke 1986; kids taking over, much in their names. Total worth some $200 million.

Igor Olenicoff

Real estate. Laguna Beach, Calif. 44. Married, 2 children. Descendant of Russian merchant family; fled Soviet Union for Iran 1943, to U.S. 1958. Through govt. program earned B.A., M.S. and M.B.A. from USC. Job at accounting firm led to one at Motown Records. Began buying small residential properties, cheap Orange County land (not so cheap anymore). Built nearly 4 million sq. ft. of unglamorous mid-rise, mixed-use office space, also 3,000 apts. Notoriously litigious: "I'll deal with him, but I wouldn't want to pour concrete for him." Built up equity quickly with cash-cow bldgs., refinanced much with $200 million GE credit loan 1987. Net worth may be $200 million.

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	Page	Residence	Age	Worth ($mil)	Primary sources
A					
Albertson, Joseph Albert	228	Boise	82	370	Albertson's, Inc.
Alexander, Norman E.	266	Scarsdale, N.Y.	74	250	Sequa Corp.
Alkek, Albert B.●	326	Victoria, Tex.	77	–	Oil
Allbritton, Joe Lewis	194	Houston	63	590	Broadcasting
Allen, Charles Jr.	236	NYC	85	340	Stock market
Allen, Herbert	236	NYC	80	340	Stock market
Allen, Herbert Anthony	236	NYC	47	340	Stock market
Allen, Paul Gardner	201	Bellevue, Wash.	35	540	Microsoft
Andersen family	286	Bayport, Minn.	–	500	Windows
Anderson, John Edward★	253	Bel Air, Calif.	71	300	Beverage distribution
Anderson, Robert Orville	268	Roswell, N.M.	71	240	Oil
Andreas, Dwayne Orville●	322	Bal Harbour, Fla.	70	–	Soybeans
Annenberg family	286	NYC	–	675	Publishing
Annenberg, Walter Hubert	164	Wynnewood, Pa.	80	1,200	Publishing
Anschutz, Philip Frederick	167	Denver	48	1,100	Oil
Ansin, Edmund Newton	260	North Miami, Fla.	52	265	Broadcasting
Anthony, Barbara Cox	154	Honolulu	65	2,250	Inheritance (Cox Enterprises)
Argyros, George Leon★	267	Newport Beach, Calif.	51	250	Real estate
Arison, Ted	158	Miami Beach	64	1,600	Carnival Cruise Lines
Arrillaga, John	267	Palo Alto, Calif.	50	250	Real estate
Autry, Orvon Gene☆	272	Los Angeles	81	230	Broadcasting
Avery, Alice O'Neill	259	Los Angeles	71	275	Inheritance (real estate)
B					
Bacardi family	286	Puerto Rico, et al.	–	1,000	Liquor
Bainum, Stewart Sr.●	322	Silver Spring, Md.	69	–	Manor Care, Inc.
Bancroft, Christopher●	324	Denton, Tex.	37	–	Inheritance (Dow Jones)
Bancroft family	286	Scattered	–	570	Inheritance (Dow Jones)
Bancroft, Hugh III●	324	Newport Beach, Calif.	39	–	Inheritance (Dow Jones)
Baoudjakdji, Millicent V.★	181	Los Angeles	49	375	Inheritance (Hearst Corp.)
Barbey family	286	Calif., et al.	–	340	Inheritance (VF Corp.)
Bass, Edward Perry	184	Fort Worth	43	750	Oil
Bass, Lee Marshall	172	Fort Worth	32	1,000	Oil
Bass, Robert Muse	158	Fort Worth	40	1,600	Oil
Bass, Sid Richardson	172	Fort Worth	45	1,000	Oil
Batten, Frank	196	Virginia Beach	61	550	Media
Bean family	286	Freeport, Me.	–	400	L.L. Bean
Bechtel, Stephen Davison Jr.	222	San Francisco	63	390	Engineering
Bechtel, Stephen Davison Sr.	222	Oakland, Calif.	88	390	Engineering
Belfer, Arthur Bejer	248	NYC	81	300	Oil
Belk family	286	Charlotte, N.C.	–	300	Retailing
Belz family	288	Memphis	–	400	Real estate
Bennett, William Gordon	260	Las Vegas	63	270	Circus Circus Enterprises
Berkley, William Robert★	245	Greenwich, Conn.	42	300	Food processing
Bernhard, Arnold●	322	Westport, Conn.	dec.	–	Value Line, Inc.
Berrie, Russell●	322	Englewood, N.J.	55	–	Teddy bears
Berry, Jack Monteith	245	Winter Haven, Fla.	71	315	Citrus
Berry, John William Sr.	229	Dayton	66	360	Yellow Pages
Binger, Virginia McKnight	271	NYC	72	230	Inheritance (3M)
Bingham family	288	Louisville	–	400	Publishing
Blaustein, Morton K.	212	Baltimore	61	440	Inheritance (oil)
Block, William☆	271	Pittsburgh	73	230	Media
Block family●	–	Toledo; Pittsburgh	–	–	Newspapers
Bluhm, Neil Gary	218	Winnetka, Ill.	50	400	Real estate
Borg, Malcolm Austin	220	Englewood, N.J.	50	400	Publishing
Bredin, Octavia Mary du Pont●	324	Greenville, Del.	75	–	Inheritance (Du Pont)
Bren, Donald Leroy	155	Newport Beach, Calif.	56	1,850	Real estate
Bright, Harvey Roberts	220	Dallas	68	400	Oil
Bronfman, Edgar Miles	162	NYC	59	1,300	Seagram Co.
Brown family	288	Louisville	–	615	Whiskey
Brown, Harold	207	Boston	63	500	Real estate
Brown, Jack Eugene	222	Midland, Tex.	63	390	Oil
Buffett, Warren Edward	154	Omaha	58	2,200	Stock market
Bullitt family	288	Seattle	–	480	Broadcasting
Busch, August Anheuser Jr.	167	St. Louis	89	1,100	Anheuser-Busch
Butt, Charles C.★	264	San Antonio, Tex.	50	260	Grocery stores
Buttner, Jean Bernhard★	245	NYC	53	350	Inheritance (Value Line, Inc.)

★New entry. ☆Returnee. ●Dropout. †Near miss.

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	Page	Residence	Age	Worth ($mil)	Primary sources
C					
Cabot family	288	Boston area	–	390	Cabot Corp.
Campbell family	288	Hawaii, et al.	–	650	Real estate
Cantor, Bernard Gerald●	324	Beverly Hills, Calif.	71	–	Financier
Cargill family	288	Minneapolis origin	–	2,000	Inheritance (Cargill, Inc.)
Cargill, James R.	232	Minneapolis	65	350	Inheritance (Cargill, Inc.)
Cargill, Margaret	232	La Jolla, Calif.	68	350	Inheritance (Cargill, Inc.)
Carlson, Curtis Leroy	186	Minneapolis	74	650	Entrepreneur
Carpenter, Robert Ruliph Jr.	270	Montchanin, Del.	73	240	Inheritance (Du Pont)
Carr, Oliver Taylor Jr.	270	Washington, D.C.	63	240	Real estate
Caruth, William Walter Jr.	204	Dallas	76	500	Real estate
Carver family●	–	Muscatine, Iowa	–	–	Rubber
Chambers, Anne Cox	154	Atlanta	68	2,250	Inheritance (Cox Enterprises)
Chandler family	289	Los Angeles, et al.	–	1,500	Times Mirror Co.
Chase, David Theodore	248	West Hartford, Conn.	59	300	Real estate
Clapp, Norton	210	Seattle	82	465	Inheritance (Weyerhaeuser)
Clark, Alfred James☆	264	Easton, Md.	60	260	Construction
Close family	289	Fort Mill, S.D.	–	380	Textiles
Cohen family	289	NYC area	–	450	Real estate
Cohn, Seymour	214	NYC	77	450	Real estate
Coker family	290	Hartsville, S.C.	–	455	Shopping bags
Colket, Tristram C. Jr.●	322	Paoli, Pa.	50	–	Inheritance (Campbell Soup)
Collier family	290	Naples, Fla.	–	550	Real estate
Collier, Miles Carnes	214	Naples, Fla.	41	450	Inheritance
Comer, Gary Campbell	235	Chicago	60	350	Lands' End
Connell, Grover	232	Westfield, N.J.	70	350	Food
Conover, Catherine Mellon	272	Washington, D.C.	52	225	Inheritance
Cook, Jane Bancroft	194	Cohasset, Mass.	76	590	Inheritance (Dow Jones)
Cook, William Alfred*	235	Bloomington, Ind.	57	350	Catheters
Cooke, Jack Kent	179	Middleburg, Va.	75	950	Media
Cooke, Phoebe Hearst	181	San Francisco	61	375	Inheritance
Coors family	290	Golden, Colo.	–	450	Beer
Copley, Helen Kinney	184	La Jolla, Calif.	65	750	Publishing
Cotsen, Lloyd Edward	259	Bel Air, Calif.	59	280	Neutrogena Corp.
Coulter, Wallace Henry*	204	Hialeah, Fla.	71	500	Blood
Cowles family (Gardner)	290	Des Moines, et al.	–	800	Newspapers
Cowles family (William)	290	Spokane, Wash.	–	400	Newspapers
Cox, Edwin Lochridge Sr.☆	235	Dallas	66	350	Oil
Cox, John Lee	256	Midland, Tex.	63	300	Oil
Cox, William Coburn Jr.	258	London	57	290	Inheritance (Dow Jones)
Crain, Gertrude Ramsay	253	Chicago	77	300	Publishing
Crow, Fred Trammell	181	Dallas	74	775	Real estate
Crown, Lester	154	Wilmette, Ill.	63	2,300	Inheritance
Cullen family	290	Houston	–	1,300	Oil
Culverhouse, Hugh Franklin	240	Tampa, Fla.	69	330	Real estate
Currier family●	–	The Plains, Va.; NYC	–	–	Inheritance
D					
Danner, Raymond L.	245	Nashville	63	310	Shoney's
Darden, Constance Simons du Pont●	324	Norfolk, Va.	84	–	Inheritance (Du Pont)
Davenport, Elizabeth Lupton	208	Lookout Mountain, Tenn.	55	285	Coca-Cola bottling
Davidowitz, Joseph Morton	260	Lawrence, N.Y.	59	275	Stock market
Davidson, William Morse	207	Bloomfield Hills, Mich.	65	500	Guardian Industries Corp.
Davis family	292	Jacksonville, Fla., et al.	–	515	Winn-Dixie Stores
Davis, Marvin Harold	158	Beverly Hills, Calif.	63	1,600	Oil
Davis, Shelby Cullom	228	Tarrytown, N.Y.	79	370	Investment banking
Dayton family	292	Minneapolis	–	780	Dayton-Hudson
DeBartolo, Edward John	160	Youngstown, Ohio	70	1,400	Shopping centers
Dedman, Robert Henry	194	Dallas	62	600	Country clubs
de Menil family	292	Houston	–	400	Inheritance
de Young family	292	San Francisco, et al.	–	660	Newspapers
Dikeou family	292	Denver; Orlando, Fla.	–	375	Real estate
DiLorenzo family	292	NYC	–	500	Real estate
Disney family	292	Los Angeles area	–	440	Walt Disney Co.
Disney, Roy Edward	207	Los Angeles	58	500	Walt Disney Co.
Dittmer, Thomas Henry	253	Lake Forest, Ill.	46	300	Commodities

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*New entry. ☆Returnee. ●Dropout. †Near miss.

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Dixon, Fitz Eugene Jr.	213	Lafayette Hill, Pa.	65	450	Inheritance
Dixon, Suzanne Searle	266	Lake Forest, Ill.	57	250	Inheritance (G.D. Searle)
Dolan, Charles Francis	196	Oyster Bay, N.Y.	62	550	Cable television
Donnelley family	292	Chicago origin	–	900	R.R. Donnelley & Sons
Dorrance, John Thompson Jr.	164	Gladwyne, Pa.	69	1,200	Inheritance (Campbell Soup)
Draper, Irene Carpenter	270	Montchanin, Del.	77	240	Inheritance (Du Pont)
Dreiseszun, Sherman W.	254	Kansas City, Mo.	64	300	Banks
du Pont family (Pierre Samuel II)	294	Wilmington, Del., et al.	–	6,800	Inheritance (Du Pont)
du Pont family (William)	294	Wilmington, Del., at al.	–	800	Inheritance (Du Pont)
du Pont, Alexis Felix Jr.	260	Wilmington, Del.	82	260	Inheritance (Du Pont)
du Pont, Helena Allaire Crozer	260	Chesapeake City, Md.	75	260	Inheritance (Du Pont)
du Pont, Irénée Jr.●	324	Montchanin, Del.	68	–	Inheritance (Du Pont)
du Pont, Pierre Samuel III●	322	Rockland, Del.	dec.	–	Inheritance (Du Pont)
du Pont, Willis Harrington●	324	Palm Beach, Fla.	52	–	Inheritance (Du Pont)
Duchossois, Richard Louis	244	Barrington Hills, Ill.	67	325	Manufacturing
Duda family	294	Oviedo, Fla.	–	600	Agriculture
Duke, Doris	180	Somerville, N.J.	75	800	Inheritance
Durst, David M.	236	Chappaqua, N.Y.	63	350	Real estate
Durst, Royal H.	236	Westchester County, N.Y.	69	350	Real estate
Durst, Seymour B.	236	NYC	75	350	Real estate
Dyson, Charles Henry	193	NYC	79	600	Conglomerator
E					
Edson, John Orin	216	Seattle	55	440	Boats
Ellis, Alpheus Lee	258	Tarpon Springs, Fla.	82	290	Banking
Ellison, Lawrence J.	243	Atherton, Calif.	44	330	Oracle Corp.
Engelhard, Jane B.	232	Far Hills, N.J.	70	350	Inheritance
Evans, James Emmett	218	Dade City, Fla.	88	400	Citrus
Evans, Thomas Mellon	240	NYC	78	330	Investments
F					
Feeney, Charles F.★	164	London	57	1,300	Duty-free shops
Fickling, William Arthur Jr.	236	Macon, Ga.	56	340	Charter Medical Corp.
Field, Frederick Woodruff	210	Beverly Hills, Calif.	36	470	Inheritance (media)
Field, Marshall V	210	Lake Forest, Ill.	47	425	Inheritance
Fireman, Paul	244	Newton, Mass.	44	320	Reebok International Ltd.
Fisher family●	–	Seattle, et al.	–	–	Lumber
Fisher, Donald George	259	San Francisco	60	280	The Gap
Fisher, Lawrence	218	NYC	78	400	Real estate
Fisher, Max Martin	235	Detroit	80	340	Oil
Fisher, Zachary	218	NYC	77	400	Real estate
Flatley, Thomas John★	193	Milton, Mass.	57	600	Real estate
Fleischer, Ernest Melvin●	324	Kansas City, Mo.	55	–	Franklin Savings Association
Flint, Lucile Evelina du Pont●	324	Greenville, Del.	73	–	Inheritance (Du Pont)
Fogelman, Avron B.†	328	Memphis	48	200	Real estate, baseball
Forbes, Malcolm Stevenson	208	Far Hills, N.J.	69	[p. 208]	Publishing
Ford family	294	Grosse Pointe, Mich.	–	600	Inheritance (Ford Motor)
Ford, Josephine Clay	188	Grosse Pointe Farms, Mich.	65	340	Inheritance (Ford Motor)
Ford, Kenneth William☆	271	Roseburg, Ore.	80	230	Timber
Ford, William Clay	188	Grosse Pointe Shores, Mich.	63	630	Inheritance (Ford Motor)
Frankino, Samuel Joseph	259	Palm Beach, Fla.	64	280	Agency Rent-A-Car
Freeman, Mansfield★	229	Greensboro, Vt.	93	240	Insurance
Fribourg, Michel	181	NYC	75	750	Grain trader
Fuqua, John Brooks☆	264	Atlanta	70	260	Entrepreneur
Furst, Austin Owen Jr.●	322	New Canaan, Conn.	45	–	Vestron
G					
Galbreath, Daniel Mauck	204	Columbus, Ohio	60	500	Real estate
Galesi, Francesco	258	NYC	57	290	Real estate
Gallo, Ernest	232	Modesto, Calif.	79	350	Wine
Gallo, Julio R.	232	Modesto, Calif.	77	350	Wine
Galvin, Robert William	234	Barrington Hills, Ill.	66	350	Motorola
Gates, Charles Cassius	204	Denver	67	500	Gates Corp.
Gates, William Henry III	170	Seattle	32	1,100	Microsoft
Gaylord, Edward Lewis	168	Oklahoma City	69	1,100	Broadcasting
Geffen, David★	270	Malibu, Calif.	45	240	Music
Gerry, Alan†	328	Liberty, N.Y.	59	200	Cable television
Getty family	294	Calif.; London, et al.	–	3,000	Oil

★New entry. ☆Returnee. ●Dropout. †Near miss.

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Getty, Gordon Peter	212	San Francisco	54	450	Inheritance (oil)
Glazer, Guilford	218	Beverly Hills, Calif.	67	430	Real estate
Goldman family	294	NYC; Honolulu; Colorado	–	400	Inheritance
Goldman family (Sol)	296	NYC	–	300	Inheritance (real estate)
Goldman, Sol•	322	NYC	dec.	–	Real estate
Goldman, Lillian*	220	NYC	66	400	Inheritance (real estate)
Goodman, Murray Henry*	272	Palm Beach, Fla.	62	230	Real estate
Goodson, Mark Les	226	NYC	73	375	Game shows
Gottwald, Bruce Cobb	267	Richmond, Va.	55	250	Ethyl Corp.
Gottwald, Floyd Dewey Jr.	267	Richmond, Va.	66	250	Ethyl Corp.
Graham, Katharine	188	Washington, D.C.	71	600	Washington Post Co.
Green, Dorothy (Dolly)	270	Beverly Hills, Calif.	80s	240	Inheritance (oil)
Green, Pincus	181	Zug, Switzerland	54	750	Commodities trading
Greenberg, Maurice Raymond	229	NYC	63	360	American International Group
Greenewalt, Margaretta Lammot du Pont•	324	Greenville, Del.	86	–	Inheritance (Du Pont)
Griffin, Ben Hill Jr.	253	Avon Park, Fla.	78	300	Citrus
Griffin, Mervyn Edward	254	Beverly Hills, Calif.	63	300	Television
Gruss, Joseph S.	218	NYC	85	420	Investments
Guccione, Robert Charles Jos. Ed. S.	248	NYC	56	300	Publishing
Guirlinger, Austin Edward*	244	Columbus, Ohio	62	325	Modular homes
Gund family	296	Cleveland origin	–	750	Inheritance
H					
Haas family	296	San Francisco	–	600	Levi Strauss & Co.
Haas, Fritz Otto	226	Ambler, Pa.	73	370	Rohm & Haas
Haas, John Charles	226	Villanova, Pa.	70	370	Rohm & Haas
Haft family	296	Washington, D.C.	–	400	Retailing, real estate
Haft, Herbert Herman•	324	Washington, D.C.	68	–	Retailing, real estate
Haft, Robert Michael•	324	Washington, D.C.	35	–	Retailing, real estate
Hall, Donald Joyce	196	Mission Hills, Kans.	60	560	Hallmark Cards
Hamilton, Dorrance Hill	260	Strafford, Pa.	60	250	Inheritance (Campbell Soup)
Hammons, John Quentin	248	Springfield, Mo.	65	300	Holiday Inns
Harbert, John Murdoch III	204	Birmingham, Ala.	66	500	Construction
Hardie, Mary Jane Hoiles	240	Marysville, Calif.	66	335	Newspapers
Hardy, Joseph Alexander*	235	Pittsburgh	65	350	Building supplies
Hearst family•	–	Calif.; NYC, et al.	–	–	Inheritance
Hearst, David Whitmire Jr.*	181	Los Angeles	44	370	Inheritance
Hearst, George Randolph Jr.	181	Los Angeles	61	375	Inheritance
Hearst, Hope Chandler•	324	Beverly Hills, Calif.	67	–	Inheritance
Hearst, Randolph Apperson	181	NYC	72	750	Inheritance
Hearst, William Randolph Jr.	181	NYC	80	750	Inheritance
Hechinger family•	–	Washington, D.C.	–	–	Building supplies
Heinz, Henry John III	242	Fox Chapel, Pa.	50	330	H.J. Heinz Co.
Helmsley, Harry Brakmann	158	NYC	78	1,700	Real estate
Hemmeter, Christopher Bagwell*	273	Kahala Beach, Hawaii	49	225	Real estate
Hess, Leon	219	NYC	74	400	Amerada Hess Corp.
Hewlett, William Redington	172	Portola Valley, Calif.	75	1,000	Hewlett-Packard
Hill, Margaret Hunt	167	Dallas	73	1,200	Inheritance (oil)
Hillenbrand family	296	Batesville, Ind.	–	690	Caskets
Hillman, Henry Lea	150	Pittsburgh	69	2,500	Industrialist
Hilton, William Barron☆	234	Los Angeles	61	350	Hilton Hotels
Hines, Gerald Douglas☆	273	Houston	63	225	Real estate
Hixon family	296	Pasadena, Calif.	–	630	Connectors
Hobby, Oveta Culp	186	Houston	83	650	Media
Hoiles family•	–	Calif., et al.	–	–	Newspapers
Hoiles, Harry Howard	240	Santa Ana, Calif.	72	335	Newspapers
Horvitz family•	–	Cleveland; Hollywood, Fla.	–	–	Inheritance (media)
Horvitz, Harry Richard*	266	Cleveland	68	260	Inheritance (media)
Horvitz, Leonard C.*	266	Cleveland	65	260	Inheritance (media)
Horvitz, William D.*	266	Hollywood, Fla.	62	260	Inheritance (media)
Hostetter, Amos Barr Jr	273	Boston	51	225	Cable television
Houghton family	298	Corning, N.Y.	–	400	Corning Glass Works
Howard, Robert Staples	201	Rancho Santa Fe, Calif.	64	530	Publishing
Hoyt family	298	NYC area; Santa Fe, N.M.	–	330	Carter-Wallace
Hubbard, Stanley Stub	240	St. Mary's Point, Minn.	55	330	Broadcasting
Huffington, Roy Michael	224	Houston	70	390	Oil
Hunt brothers	298	Dallas	–	600	Inheritance
Hunt, Caroline Rose	180	Dallas	65	900	Inheritance (oil)

*New entry. ☆Returnee. •Dropout. †Near miss.

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	Page	Residence	Age	Worth ($mil)	Primary sources
Hunt, Johnnie Bryan	267	Lowell, Ark.	61	250	Trucking
Hunt, Ray Lee	164	Dallas	45	1,300	Inheritance
Hunting family	300	Grand Rapids, Mich.	–	1,200	Steelcase
I					
Icahn, Carl Celian	179	Bedford, N.Y.	52	940	Financier
Idema family	300	Grand Rapids, Mich.	–	1,200	Steelcase
Imperatore, Arthur Edward*	271	NYC	63	230	Trucking
J					
Jacobs, David H.	216	Bay Village, Ohio	67	300	Shopping centers
Jacobs, Irwin Lawrence	270	Minneapolis	47	240	Investments
Jacobs, Jeremy Maurice	188	East Aurora, N.Y.	48	600	Sports concessions
Jacobs, Richard E.	216	Lakewood, Ohio	63	440	Shopping centers
Jamail, Joseph Dahr†	326	Houston	62	220	Law
Johnson family	300	Scattered	–	530	Inheritance (Johnson & Johnson)
Johnson, Barbara Piasecka	212	Princeton, N.J.	51	465	Inheritance
Johnson, Edward Crosby III	201	Boston	58	530	Money management
Johnson, Samuel Curtis	186	Racine, Wis.	60	710	S.C. Johnson & Son
Jones, Glenn Robert†	328	Denver	58	200	Cable television
Jordan family	300	Boston origin	–	550	Inheritance
K					
Kalikow, Peter Stephen	207	NYC	45	500	Real estate
Kalmanovitz, Lydia	258	Tiburon, Calif.	83	280	Inheritance (beer)
Kaskel, Howard	204	NYC	51	500	Real estate
Kauffman, Ewing Marion	184	Mission Hills, Kans.	72	740	Marion Laboratories
Kavadas, Kathryn Bancroft●	324	Waban, Mass.	36	–	Inheritance (Dow Jones)
Keck, Howard Brighton	244	Los Angeles	75	315	Superior Oil Co.
Keck, William Myron III☆	244	Los Angeles	46	245	Superior Oil Co.
Keinath, Pauline MacMillan	271	Unknown	54	230	Inheritance (Cargill, Inc.)
Kelley family	300	Honolulu, Hawaii	–	500	Hotels
Kelly, William Russell	214	Fort Lauderdale, Fla.	82	450	Kelly Services
Kennedy family	300	Boston origin	–	600	Inheritance
Kerkorian, Kirk	179	Beverly Hills, Calif.	71	950	Investments
King family	302	Short Hills, N.J.; NYC, et al.	–	300	King World Productions
Kleberg family	302	King Ranch, Tex.	–	1,000	Inheritance
Klink, Bettina●	326	Los Angeles	47	–	Inheritance (Dow Jones)
Kluge, John Werner	149	Charlottesville, Va.	75	3,200	Metromedia
Knight, James Landon	270	Bal Harbour, Fla.	79	240	Knight-Ridder, Inc.
Knight, Philip Hampson	220	Beaverton, Ore.	50	400	Nike, Inc.
Koch, Charles de Ganahl	168	Wichita, Kans.	52	1,100	Inheritance
Koch, David Hamilton	168	NYC	48	1,100	Inheritance
Koch, Frederick Robinson	193	NYC	55	450	Inheritance
Koch, William Ingraham	193	Boston	48	600	Inheritance
Kogod, Arlene Smith*	258	Washington, D.C.	54	290	Real estate
Kohlberg, Jerome Spiegel Jr.	242	Mt. Kisco, N.Y.	63	330	Leveraged buyouts
Kohler family	302	Kohler, Wis. origin	–	460	Plumbing fixtures
Koll, Donald Milton●	326	Newport Beach, Calif.	55	–	Real estate
Kozmetsky, George☆	269	Austin, Tex.	71	240	Teledyne
Kravis, Henry R.	242	NYC	44	330	Leveraged buyouts
Krehbiel, John Hammond Sr.	258	Downers Grove, Ill.	82	280	Molex Inc.
Kroc, Joan Beverly	184	La Jolla, Calif.	60	745	Inheritance (McDonald's)
L					
Landegger family●	–	NYC	–	–	Paper mills
Landegger, Carl Clement☆	219	NYC	58	400	Paper mills
Landegger, George Francis☆	219	NYC	50	400	Paper mills
Lauder, Estée	213	NYC	80	450	Cosmetics
Lauder, Leonard Alan	213	NYC	55	450	Cosmetics
Lauder, Ronald Steven	213	NYC	44	450	Cosmetics
Laughlin, Donald Joseph†	328	Laughlin, Nev.	57	220	Gambling
Lauren, Ralph	214	NYC	49	450	Apparel
Lawrence family	302	NYC area	–	460	Inheritance (real estate)
Lawrence, M. Larry	214	San Diego, Calif.	62	450	Real estate
LeBow, Bennett Stephen	242	Saddle River, N.J.	50	330	Financier
LeFrak, Samuel Jayson	160	NYC	70	1,500	Real estate
Lerner, Alfred*	272	Shaker Heights, Ohio	55	230	Banking
Lerner, Theodore Nathan*	248	Chevy Chase, Md.	62	300	Real estate

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	Page	Residence	Age	Worth ($mil)	Primary sources
Lewis, Ralph Milton†	328	Upland, Calif.	68	200	Real estate
Lilly family	322	Indianapolis, et al.	–	1,200	Pharmaceuticals
Lindner, Carl Henry II	179	Cincinnati	69	950	Insurance
Littlefield, Edmund Wattis●	322	Burlingame, Calif.	74	–	Utah International
Litwin, Leonard	259	NYC	72	275	Real estate
Louis, John Jeffry Jr.	224	Winnetka, Ill.	63	375	Inheritance (S.C. Johnson & Co.)
Ludwig, Daniel Keith	196	NYC	91	550	Shipping
Lupton, John Thomas	208	Chattanooga, Tenn.	62	480	Coca-Cola bottling
Lurie, Robert Alfred	224	San Francisco	59	385	Inheritance
Lurie, Robert Harris	220	Chicago	46	390	Investments
Lusk, John David●	324	Newport Beach, Calif.	80	–	Real estate
Lykes family	302	Florida, et al.	–	900	Shipping
Lyon, William	256	Newport Beach, Calif.	65	300	Real estate
M					
MacElree, Jane Cox	258	Newtown Square, Pa.	59	290	Inheritance (Dow Jones)
Mack family	302	NYC area	–	500	Real estate
MacMillan family	288	Minneapolis	–	2,000	Inheritance (Cargill, Inc.)
MacMillan, Cargill Jr.	271	Minneapolis	61	230	Inheritance (Cargill, Inc.)
MacMillan, John Hugh III	271	Hillsboro Beach, Fla.	60	230	Inheritance (Cargill, Inc.)
MacMillan, W. Duncan	271	Wayzata, Minn.	58	230	Inheritance (Cargill, Inc.)
MacMillan, Whitney	271	Minneapolis	59	230	Inheritance (Cargill, Inc.)
Magness, Bob John	216	Denver	64	435	Cable television
Malkin, Judd David	218	Winnetka, Ill.	50	400	Real estate
Mandel family	304	Shaker Heights, Ohio, et al.	–	550	Premier Industrial Corp.
Mandel, Jack N.●	322	Shaker Heights, Ohio	76	–	Premier Industrial Corp.
Mandel, Joseph C.●	322	Lyndhurst, Ohio	74	–	Premier Industrial Corp.
Mandel, Morton Leon●	322	Shaker Heights, Ohio	67	–	Premier Industrial Corp.
Mann, Ted†	328	Los Angeles	65	215	Movie theaters
Manoogian, Alex	188	Grosse Pointe Farms, Mich.	87	260	Masco Corp.
Manoogian, Richard Alexander	188	Grosse Pointe Farms, Mich.	52	625	Masco Corp.
Marion, Anne Burnett☆	229	Fort Worth	49	360	Inheritance (oil)
Markkula, Armas Clifford Jr.	254	Woodside, Calif.	46	300	Apple Computer
Marriott, Alice Sheets	268	Washington, D.C.	81	245	Inheritance (Marriott Corp.)
Marriott, John Willard Jr.	268	Chevy Chase, Md.	56	245	Inheritance (Marriott Corp.)
Marriott, Richard Edwin	268	Potomac, Md.	49	245	Inheritance (Marriott Corp.)
Mars, Forrest Edward Jr.	162	McLean, Va.	57	1,300	Candy
Mars, Forrest Edward Sr.	162	Las Vegas	80s	1,300	Candy
Mars, John Franklyn	162	Arlington, Va.	54	1,300	Candy
Marshall, Barbara Hall	196	Kansas City, Mo.	65	285	Inheritance (Hallmark Cards)
Marx, Leonard Maximilian	243	Scarsdale, N.Y.	84	330	Real estate
May, Cordelia Scaife	213	Ligonier, Pa.	60	450	Inheritance
May, Irene Sophie du Pont●	326	Wilmington, Del.	87	–	Inheritance (Du Pont)
McCaw, Bruce R.	264	Seattle	42	260	McCaw Communications
McCaw, Craig O.	264	Seattle	39	260	McCaw Communications
McCaw, John Elroy Jr.	264	Seattle	37	260	McCaw Communications
McCaw, Keith W.	264	Seattle	35	260	McCaw Communications
McClatchy family	304	Sacramento, Calif., et al.	–	400	Newspapers
McDonnell family	304	St. Louis	–	350	McDonnell Douglas
McEvoy, Nan Tucker★	232	San Francisco	69	350	Inheritance (publishing)
McGovern, Patrick Joseph	228	Nashua, N.H.	51	370	Publishing
McGraw family	304	NYC, et al.	–	635	McGraw-Hill
Mead family	304	Wisconsin Rapids, Wis.	–	800	Consolidated Papers
Meijer, Frederik G.H.★	232	Grand Rapids, Mich.	69	350	Retailing
Mellon family	304	The Plains, Va., et al.	–	1,200	Inheritance
Mellon, Paul	184	Upperville, Va.	81	750	Inheritance
Mellon, Timothy	272	Manchester, N.H.	46	225	Inheritance
Mendik, Bernard H.	236	NYC	59	340	Real estate
Meyer, August Christopher	226	Champaign, Ill.	87	375	Broadcasting
Milken, Michael Robert	180	Encino, Calif.	42	800	Financier
Milliken, Gerrish Hill	188	Greenwich, Conn.	71	430	Textiles
Milliken, Minot King●	322	NYC	72	–	Textiles
Milliken, Roger	188	Spartanburg, S.C.	72	630	Textiles
Mills, Alice Francis du Pont	260	Middleburg, Va.	75	260	Inheritance (Du Pont)
Milstein, Monroe Gary●	322	Burlington, N.J.	61	–	Burlington Coat Factory
Milstein, Paul	226	NYC	66	375	Real estate
Milstein, Seymour	226	NYC	68	375	Real estate

★New entry. ☆Returnee. ●Dropout. †Near miss.

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Mitchell, George Phydias	254	Houston	69	300	Oil
Monaghan, Thomas Stephen	208	Ann Arbor, Mich.	51	480	Pizza
Moncrief, William Alvin Jr.	208	Fort Worth	68	475	Oil
Moody, Robert Lee	196	Galveston, Tex.	53	550	American National Insurance
Moore, Gordon Earle	228	Santa Clara County, Calif.	59	370	Intel Corp.
Moore, Jerry J.	194	Houston	60	600	Shopping centers
Morgan, Frank Sherman	254	Kansas City, Mo.	61	300	Banks
Morris, William Shivers III	253	Augusta, Ga.	54	300	Newspapers
Mugar, David Graves	266	Boston	49	250	Inheritance (broadcasting)
Murdoch, Keith Rupert	167	NYC	57	1,200	News Corp.
Murdock, David Howard	179	Bel Air, Calif.	65	900	Investments
Murphy family	304	El Dorado, Ark.	–	600	Oil
N					
Naify, Marshall	245	San Francisco	68	315	Movie theaters
Naify, Robert Allen	245	San Francisco	66	315	Movie theaters
Newhouse, Donald Edward	150	NYC	59	2,600	Publishing
Newhouse, Samuel Irving Jr.	150	NYC	60	2,600	Publishing
Nichols, Miller	248	Prairie Village, Kans.	77	300	Real estate
Nielsen, Arthur Charles Jr.●	324	Winnetka, Ill.	69	–	A.C. Nielsen Co.
Nordstrom family	306	Seattle	–	1,000	Retailing
O					
O'Connor family	306	Victoria, Tex.	–	425	Inheritance
Olenicoff, Igor†	328	Laguna Beach, Calif.	44	200	Real estate
Olsen, Kenneth Harry	267	Lincoln, Mass.	62	250	Digital Equipment Corp.
Ordway family●	–	St. Paul origin	–	–	Inheritance (3M)
Ottaway, James Haller Sr.●	324	Campbell Hall, N.Y.	77	–	Newspapers
O'Neill, Richard Jerome	259	San Juan Capistrano, Calif.	64	275	Inheritance (real estate)
P					
Packard, David	155	Los Altos Hills, Calif.	76	2,000	Hewlett-Packard
Palevsky, Max☆	269	Beverly Hills, Calif.	64	240	Computers
Paley, William S.	216	NYC	87	440	CBS, Inc.
Pamplin, Robert Boisseau	264	Portland, Ore.	76	260	Textiles
Park, Roy Hampton	210	Ithaca, N.Y.	78	475	Park Communications
Parker, Jack	235	NYC	73	350	Real estate
Pasquerilla, Frank James★	234	Johnstown, Pa.	62	350	Real estate
Paulson, Allen Eugene	226	Savannah, Ga.	66	375	Gulfstream Aerospace Corp.
Paulucci, Luigino Francesco	196	Sanford, Fla.	70	550	Food processing
Paxson, Lowell W.●	324	Clearwater, Fla.	53	–	Home Shopping Network
Pearson, Edith du Pont●	326	Montchanin, Del.	76	–	Inheritance (Du Pont)
Peery, Richard Taylor	267	Palo Alto, Calif.	49	250	Real estate
Pennington, Claude Bernard	218	Baton Rouge, La.	88	400	Oil
Pennington, William Norman	260	Reno, Nev.	65	240	Circus Circus Enterprises
Perdue, Franklin Parsons	234	Salisbury, Md.	68	350	Chickens
Perelman, Ronald Owen	174	NYC	45	1,000	Leveraged buyouts
Perenchio, Andrew Jerrold	224	Bel Air, Calif.	57	390	Television
Perot, Henry Ross	150	Dallas	58	3,000	Electronic Data Systems
Petersen, Robert Einar	236	Beverly Hills, Calif.	62	340	Publishing
Petrie, Milton Jack	181	NYC	85	750	Petrie Stores
Pew family	306	Philadelphia origin	–	360	Inheritance
Phipps family	306	Westbury, N.Y.	–	1,900	Inheritance (steel)
Pictet, Marion MacMillan	271	Geneva, Switzerland	55	230	Inheritance (Cargill, Inc.)
Pigott family	306	Seattle	–	610	Inheritance (Paccar)
Pilaro, Anthony Martin★	235	Southampton, N.Y.	52	340	Duty-free shops
Pitcairn family	310	Bryn Athyn, Pa., et al.	–	650	Inheritance
Pogue, Alfred Mack	234	Dallas	54	350	Real estate
Pohlad, Carl Ray	186	Minneapolis,	73	670	MEI Corp.
Pontikes, Kenneth Nicholas●	324	Barrington, Ill.	48	–	Computer equipment
Portman, John Calvin†	328	Atlanta	63	220	Real estate
Price, Sol●	324	La Jolla, Calif.	72	–	The Price Co.
Pritzker, Jay Arthur	154	Chicago	66	2,200	Financier
Pritzker, Robert Alan	154	Chicago	62	2,200	Financier
Pulitzer family	310	St. Louis, et al.	–	440	Inheritance (publishing)
Pulliam, Eugene Smith	266	Indianapolis	74	250	Newspapers

★New entry. ☆Returnee. ●Dropout. †Near miss.

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R					
Rainwater, Richard Edward	273	Fort Worth	44	225	Investments
Redstone, Sumner Murray	160	Newton Centre, Mass.	65	1,400	Viacom, Inc.
Reid, Elizabeth Ann Hall	196	Denton, Tex.	66	285	Inheritance (Hallmark Cards)
Resnick, Burton Paul	220	Rye, N.Y.	51	400	Real estate
Reynolds, Donald Worthington	172	Las Vegas	82	1,000	Publishing
Rich, Marc	181	Zug, Switzerland	54	750	Commodities trading
Rich, Robert Edward Sr.	254	Point Abino, Ontario	75	300	Rich Products Corp.
Richardson family	310	Greensboro, N.C., et al.	–	550	Inheritance (Richardson-Vicks)
Riklis, Meshulam☆	216	NYC	64	440	Financier
Rinker, Marshall Edison (Doc)	259	Palm Beach, Fla.	83	275	Cement
Roberts, George R.	242	San Francisco	45	330	Leveraged buyouts
Robins family	310	Richmond, Va.	–	300	A.H. Robins
Robinson, Jesse Mack	268	Atlanta	65	240	Banking
Rock, Arthur J.●	326	San Francisco	62	–	Venture capital
Rockefeller family (John D.)	310	Scattered	–	4,880	Inheritance (oil)
Rockefeller family (William)	310	Scattered	–	350	Inheritance (oil)
Rockefeller, David	168	NYC	73	1,100	Inheritance
Rockefeller, Laurance Spelman	179	NYC	78	900	Inheritance
Rockefeller, Winthrop Paul	180	Winrock Farm, Ark.	40	800	Inheritance
Rollins, Orville Wayne	186	Atlanta	76	740	Rollins, Inc.
Root, Chapman Shaw	267	Ormond Beach, Fla.	63	250	Coca-Cola bottling
Rose family	311	NYC	–	350	Real estate
Rosenberg, Ruth Blaustein	212	Baltimore, Md.	89	250	Inheritance (oil)
Rosenwald family	311	Philadelphia, NYC, et al.	–	300	Inheritance (Sears, Roebuck)
Rudin, Jack	186	NYC	64	700	Real estate
Rudin, Lewis	186	NYC	61	700	Real estate
Rust, Eleanor Francis du Pont●	326	Thomasville, Ga.	81	–	Inheritance (Du Pont)
Ryan, Patrick George	270	Chicago	51	240	Insurance
S					
Sammons, Charles A.*	164	Dallas	90	1,300	Cable television
Sarofim, Fayez Shalaby	269	Houston	59	240	Money management
Scaife, Richard Mellon	201	Shadyside, Pa.	56	525	Inheritance
Scharbauer, Clarence Jr.	272	Midland, Tex.	63	225	Inheritance (oil, land)
Schnitzer family●	–	Portland, Ore.; Palm Springs	–	–	Steel, shipping, real estate
Schwan, Marvin Maynard*	267	Sioux Falls, S.D.	59	250	Ice cream
Scripps family (E.W.)	312	Cincinnati origin	–	1,200	Inheritance (newspapers)
Scripps family (J.E)	312	Detroit, et al.	–	780	Inheritance (newspapers)
Searle, Daniel Crow	266	Winnetka, Ill.	62	250	Inheritance (G.D. Searle)
Searle, William Louis	266	Lake Forest, Ill.	60	250	Inheritance (G.D. Searle)
Segerstrom family	312	Orange County, Calif.	–	500	Real estate
Selig, Martin*	272	Seattle	51	230	Real estate
Sharp, Peter Jay	253	NYC	58	300	Real estate
Sherman family●	–	Dayton, Ohio	–	–	Office equipment
Shoen family	312	Phoenix, Ariz.	–	300	U-Haul
Shorenstein, Walter Herbert	219	San Francisco	73	400	Real estate
Silliman, Mariana du Pont●	326	Montchanin, Del.	77	–	Inheritance (Du Pont)
Silverstein, Larry Abraham	226	NYC	57	375	Real estate
Simmons, Harold Clark	170	Dallas	57	1,100	Investments
Simmons, Richard Paul†	328	Sewickley, Pa.	57	200	Steel
Simon, Herbert	201	Indianapolis	53	270	Shopping centers
Simon, Melvin	201	Indianapolis	61	550	Shopping centers
Simon, Norton Winfred	181	Los Angeles	81	750	Industrialist
Simon, William Edward	256	New Vernon, N.J.	60	290	Leveraged buyouts
Simplot, John Richard☆	219	Boise, Idaho	79	400	Potatoes
Singleton, Henry Earl	194	Los Angeles	71	590	Teledyne
Skaggs, Leonard Samuel Jr.	245	Salt Lake City	65	310	American Stores Co.
Smart, Richard Palmer Kaleioku	253	Honolulu, Hawaii	75	300	Inheritance
Smith family	312	Chicago origin	–	600	Illinois Tool Works
Smith (Charles) family●	–	Washington, D.C.	–	–	Inheritance (real estate)
Smith, Charles E.*	258	Washington, D.C.	87	290	Real estate
Smith, Frederick Wallace●	tkk	Memphis, Tenn.	44	–	Federal Express Corp.
Smith, Marian Uldine Day●	tkk	Atlanta	54	–	Inheritance (Days Inns)
Smith, Richard Alan	224	Chestnut Hill, Mass.	64	385	General Cinema Corp.

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Smith, Robert H.★	258	Washington, D.C.	60	290	Real estate
Smith, Vivian Leatherberry	220	Houston	80	400	Inheritance (oil, real estate)
Snyder, Richard Wesley	272	Dallas	50	230	Snyder General
Solow, Sheldon Henry	210	NYC	60	475	Real estate
Sorenson, James LeVoy	229	Salt Lake City	67	360	Medical devices
Soros, George	258	NYC	57	290	Money manager
Spanos, Alexander Gus	196	Stockton, Calif.	65	550	Real estate
Speer, Roy Merrill●	324	Clearwater, Fla.	56	–	Home Shopping Network
Spiegel, Abraham●	324	Beverly Hills, Calif.	82	–	Columbia Savings & Loan
Spielberg, Steven Allen●	324	Beverly Hills, Calif.	40	–	Movies
Stahl, Stanley Irving	216	NYC	64	430	Real estate
Steinberg, Saul Phillip	219	NYC	49	400	Financier
Stephens, Jackson Thomas	229	Little Rock, Ark.	65	350	Investment banking
Stephens, Wilton Robert	229	Little Rock, Ark.	81	350	Investment banking
Stern, Leonard Norman	162	NYC	50	1,300	Pet supplies
Stone family	312	Chicago	–	485	Stone Container Corp.
Stroh family	312	Detroit	–	700	Inheritance (beer)
Stuart family	313	Bellevue, Idaho; Los Angeles	–	375	Inheritance (Carnation Co.)
Sulzberger, Arthur Ochs	273	NYC	62	225	New York Times
Sulzberger, Iphigene Ochs	273	NYC	96	225	New York Times
Swig family	313	San Francisco	–	550	Real estate
Syms, Sy●	324	Lyndhurst, N.J.	62	–	Syms Corp.
T					
Taper, Sydney Mark	244	Los Angeles	87	325	First Charter Financial Corp.
Tauber, Laszlo Nandor	208	Potomac, Md.	73	500	Real estate
Taubman, Adolph Alfred	155	Bloomfield Hills, Mich.	64	1,850	Real estate
Taylor family	318	Boston origin	–	600	Inheritance (publishing)
Temple family	318	Diboll, Tex., et al.	–	950	Inheritance (timber)
Terra, Daniel James	266	Chicago	77	250	Lawter International
Thalheimer, Louis	212	Baltimore	44	250	Inheritance (oil)
Thompson family●	–	Dallas	–	–	Southland Corp.
Thorne, Oakleigh Blakeman	208	Millbrook, N.Y.	56	480	Commerce Clearing House
Tisch, Laurence Allan	180	NYC	65	850	Loews Corp.
Tisch, Preston Robert	180	NYC	62	850	Loews Corp.
Tramiel, Jack	270	Zephyr Cove, Nev.	60	240	Atari Corp.
Trump, Donald John	174	NYC	42	1,000	Real estate
Turner, Robert Edward (Ted) III	201	Roswell, Ga.	49	535	Turner Broadcasting System
Tyson, Barbara	240	Fayetteville, Ark.	39	265	Tyson Foods
Tyson, Donald John	240	Springdale, Ark.	58	330	Tyson Foods
U					
Ueltschi, Albert Lee	254	Greenwich, Conn.	71	300	FlightSafety International
Upjohn family	318	Kalamazoo, Mich.	–	1,400	Inheritance (Upjohn Co.)
V					
van Beuren, Hope Hill	260	Middletown, R.I.	54	250	Inheritance (Campbell Soup)
Van Every family●	–	N.C.;S.C., et al.	–	–	Lance, Inc.
Van Kampen, Robert Donald★	269	West Chicago	[illegible]	240	Bonds
Vogel, Jacqueline Mars	162	Bedminster, N.J.	49	1,300	Candy
von Platen, Ruth Chandler●	322	San Marino, Calif.	dec.	–	Times Mirror Co.
W					
Wagner, Cyril Anthony jr.	222	Midland, Tex.	54	390	Oil
Walton, James Lawrence	244	Bentonville, Ark.	66	320	Wal-Mart Stores
Walton, Sam Moore	149	Bentonville, Ark.	70	6,700	Wal-Mart Stores
Wang, An	228	Lincoln, Mass.	68	365	Wang Laboratories
Ward, Louis Larrick	186	Kansas City, Mo.	68	650	Russell Stover Candies, Inc.
Wasserman, Lewis Robert	273	Beverly Hills, Calif.	75	225	MCA, Inc.
Watson family	318	Armonk, N.Y. origin	–	330	International Business Machines
Wattis family	318	Ogden, Utah origin	–	900	Inheritance (Utah International)
Weber, Charlotte Colket●	324	Ocala, Fla.	45	–	Inheritance (Campbell Soup)
Wege family	300	Grand Rapids, Mich.	–	1,200	Steelcase
Weiler family	318	NYC	–	500	Real estate
Weinberg, Harry	180	Honolulu	80	850	Real estate
Weinberg, John Livingston●	324	NYC	63	–	Goldman, Sachs & Co.
Weis, Robert Freeman	214	Sunbury, Pa.	69	380	Weis Markets, Inc.

★New entry. ☆Returnee. ●Dropout. †Near miss.

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	Page	Residence	Age	Worth ($mil)	Primary sources
Weis, Sigfried	214	Lewisburg, Pa.	72	450	Weis Markets, Inc.
Wexner, Bella●	324	Columbus, Ohio	70s	–	The Limited, Inc.
Wexner, Leslie Herbert	174	Columbus, Ohio	51	1,000	The Limited, Inc.
Weyerhaeuser family	318	St. Paul; Seattle, et al.	–	1,000	Inheritance (timber)
Whitney, Betsey Cushing Roosevelt	248	Manhasset, N.Y.	80	300	Inheritance
Whittier family	320	Southern Calif.	–	700	Inheritance (oil)
Wien, Lawrence Arthur	234	NYC	83	350	Real estate
Wirtz family	320	Chicago	–	500	Inheritance (real estate)
Wolfe family	320	Columbus, Ohio, et al.	–	550	Inheritance (newspapers)
Woodner, Ian*	243	NYC	85	330	Real estate
Wrigley, William	219	Lake Geneva, Wis.	55	400	Chewing gum
Y					
Yates family	320	Artesia, N.M.	–	380	Oil
Z					
Zell, Samuel	220	Chicago	46	390	Real estate
Ziff, William Bernard Jr.	170	Manalapan, Fla.	57	1,000	Publishing
Zuckerman, Mortimer Benjamin	266	NYC	51	250	Real estate

*New entry. ☆Returnee. ●Dropout. †Near miss.

Box Scores

This is the year the rich got poorer. The total estimated net worth of the 400 individuals who made our list last year, including the 52 who dropped off this year, fell 5%, to $210 billion. It doesn't look like it in the tables below, since total estimated net worth of the 400 richest people we could find in America this year is the same as last year's $220 billion, and average net worth apparently is also practically unchanged at $551 million (the extra $1 million is the result of rounding). What happened? The underlying drop is obscured by our year-round research, which constantly turns up previously undiscovered private fortunes. A new discovery worth, say, $325 million pushes somebody less rich off the bottom worth $225 million. Net apparent gain, $100 million; net real gain, $0. This year not one but two previously unsuspected billionaires grace our pages, each replacing some $225 million semipauper. Meanwhile, some of the people on last year's list have taken sizable hits. Sam Walton, for instance, is down nearly $2 billion. It wasn't such a bad year to be in Treasurys.

	1982	1983	1984	1985	1986	1987	1988
400 net worth ($bil)	**92**	**118**	**125**	**134**	**156**	**220**	**220**
average net worth ($mil)	**230**	**295**	**315**	**335**	**390**	**550**	**551**
minimum net worth ($mil)	**91**	**125**	**150**	**150**	**180**	**225**	**225**
known billionaires	**13**	**15**	**12**	**13**	**26**	**49**	**51**
new entries	**—**	**74**	**44**	**64**	**56**	**80**	**52**
women	**66**	**64**	**69**	**78**	**77**	**55**	**49**
inherited	**206**	**194**	**146**	**181**	**168**	**162**	**154**
agriculture	**9**	**10**	**21**	**16**	**16**	**16**	**16**

	1982	1983	1984	1985	1986	1987	1988
finance	**19**	**53**	**48**	**45**	**59**	**69**	**65**
high tech	**4**	**12**	**15**	**12**	**10**	**16**	**15**
oil and gas	**70**	**64**	**74**	**64**	**48**	**29**	**30**
real estate	**48**	**48**	**71**	**83**	**59**	**73**	**87**
retailing	**15**	**15**	**19**	**19**	**22**	**18**	**21**
media	**38**	**62**	**59**	**69**	**58**	**75**	**73**
manufacturing	**70**	**105**	**95**	**103**	**92**	**84**	**75**

Changes in law over the last two decades have added divorce to the list of big fortunes' natural enemies. The situation—financially as well as emotionally—can be scary but need not be hopeless.

Breaking up is complex to do

By Eric Schmuckler

THE EVOLUTION of divorce law over the last couple of decades has raised the stakes dramatically, to the point where divorce has joined death, taxes and spendthrift heirs as a natural enemy of great wealth. When television writer/producer Norman *(All in the Family)* Lear split from his wife, Frances, in 1985, his reported $112 million divorce settlement eliminated him from The Forbes Four Hundred. *Star Wars* creator George Lucas' 1983 divorce settlement, said to be in the neighborhood of $50 million, likewise caused him to fall from the list.

Not that divorce is necessarily fatal to fortunes. Of this year's Forbes Four Hundred, 115 members have divorced and lived to tell the tale. This includes 28 divorced more than once, confirming Samuel Johnson's belief that second marriages are the triumph of hope over experience. Four individuals among The Four Hundred—Mark Goodson, Max Palevsky, Don Reynolds and Anne Burnett Marion—are thrice divorced, and the third divorce of near-billionaire Jack Kent Cooke is pending. Billionaire Edgar Bronfman is said to be embarking on his fourth divorce, from a woman he has divorced once already.

But if divorce is rarely fatal to a great fortune, the process has grown unbelievably complex and expensive. Leading divorce lawyers charge $400 an hour, and with appraisals, surveillance and the like, the tab to carve a good-size fortune into two moderately good-size fortunes can run into the millions. Divorce law sources say the current Sid and Anne Bass divorce case could cost as much as $10 million in legal fees and other services.

One result of the divorce revolution of the 1970s (FORBES, *Feb. 19, 1979*) is that alimony and support payments gave way to settlements based on dividing the marital estate. Nine states, including California and Texas, have community property laws, requiring an equal division of the estate. The other 41 states practice equitable distribution. This splits up the estate "equitably"—not necessarily "equally." In other words, the judge has wide discretion over what's equitable.

The rub in all states comes, of course, in determining what property belongs in the marital estate. Even in community property states, assets held by a spouse before marriage are considered separate property, not subject to being split up.

But the very rich usually get that way because their businesses and other assets appreciate and/or throw off heavy income. Here's where things get tricky. If the propertied spouse actively manages an asset, then the asset's runup in value may be "transmuted" into marital property, on the theory that the energies of both spouses went into the appreciation.

It is to minimize transmutation possibilities that Peter Bronstein, a leading New York divorce lawyer, strongly advises his clients to hire outside managers for the money they bring to a marriage. He tells the propertied spouse to set things up separately before they get married. (Wealthy people, he says, usually consult their lawyers before they marry.)

"The best investment adviser in the world costs only 1% of assets annually," says Bronstein. "But the more actively you manage your own money, the more the appreciation of the portfolio can be considered marital property, and you could end up paying a 50% 'advisory fee' in a divorce." Bronstein, whose clients have included chicken king Frank Perdue and builder Lewis Rudin, notes ruefully that self-made centimillionaires have trouble letting go those reins.

The high-stakes shootout between Sid and Anne Bass now unfolding in Fort Worth aims to determine what's marital and what's separate. The Bass brothers started with a grubstake of probably under $100 million from their father. Sid began to manage it in 1968 at age 25, and helped build it into a $4 billion fortune. Sid and Anne married in 1965, so she was around for all of the runup.

Family adviser Richard Rainwater actually hatched many of the Bass schemes, but Sid was hardly a passive investor. So the divorce proceedings entail unraveling two decades of Bass investments and raids. What money went into which deal? How much was Sid involved? Were marital assets used as collateral for loans in a separate deal? No wonder the tab for legal and other fees could approach $10 million. When the dust settles, it's a good bet that billionaire Sid won't have to give up half his pile. But it's also likely that Anne will become the first person on The Four Hundred to make her fortune by divorce.

Especially in divorces where big money is involved, classifying assets as marital or separate is just the first step. Then comes the difficult business of valuation. Holdings in public companies are easy to value, but not so with private businesses, real estate, land, venture capital, stock options, golden parachutes, pension plans.

"I hire investigative accountants to figure out a business' cash flow," says Melvyn Frumkes, a Miami divorce lawyer who's handled several Four Hundred divorces. "You go through income taxes and checkbooks. You subpoena bank records—there's usually a little puffing going on to get a loan. You look at credit card records, pension and insurance plans, loan agreements, leases, deeds, mortgages, trust documents."

Only when dollar values have been placed upon all marital assets can the pot be divided. Many equitable distribution states look at a host of factors: how each spouse contributed to the marriage, including services as a homemaker; each spouse's economic circumstances; interruption of careers or education; the contribution of one spouse to the career and education of the other; the duration of the marriage; and so on. In community property Texas, appreciation of separately held property is separate, yet a spouse is entitled to reimbursement for the "time, talent and toil" involved in that appreciation.

The wealthy are loath to disclose their true net worth in a prenup. "Rich guys all keep that little list of assets and love to look at it," says lawyer Raoul Felder. "And it hangs them eventually, because the wife finds it."

It is exceedingly rare that judges split marital estates down the middle. "Judges are conservative people, and they tend to favor the very rich," argues Los Angeles divorce attorney Stuart Walzer. "Judges just feel that $5 million or $10 million should be enough [for a spouse]. There's powerful pressure in that direction." Judges, moreover, will rarely cut a company in half, fearful of killing it.

Thus, Norman Lear's $112 million settlement was exceptional. He founded his sitcom factory well into his 29-year marriage to Frances, who supposedly inspired the character *Maude*. He sold out in 1985, netting $242 million in cash, so there weren't many opportunities to play valuation games. The case was, as one insider put it, "clean as a whistle."

Most Four Hundred divorces don't end up in court. Considering the expense and exposure involved, most would rather settle or resolve matters privately. Another limiting factor is prenuptial agreements, which most wealthy people insist on. These agreements usually prescribe the amount to be paid in the event of divorce and are almost always challenged by the less-moneyed spouse.

"Prenups are the name of the game," says Raoul Felder, the dean of big-money divorces *(see p. 16)*. Felder, who is said to have represented various Rockefellers, Fords, Mellons and a Hearst over the years, says full disclosure is the key to drafting an airtight prenup: "You must put in your net worth, and if in doubt, go with the higher figure. Rich guys are loath to do this, even though they all keep that little list of assets, and love to look at it. And it hangs them eventually, because the wife finds it."

When drafting prenuptials, Felder insists that each side has his and her own lawyers. Sometimes he videotapes the signing session, asking the less wealthy spouse, "How do you feel today? Have you thought this over?" And, he says, never pressure your intended into signing a prenup. Peter Bronstein tells of one client, whose bride claims she was pushed into a phone booth on her way to the ceremony—"in her wedding dress yet!"—and given a prenup to sign. Smiles Bronstein: "We settled that one."

The most important element in a prenup is fairness, Bronstein counsels. Jack Kent Cooke is worth close to a billion dollars, but his prenup provided his latest wife, Suzanne Martin Cooke, 31, with a one-time payment of $100,000 and $50,000 annually for three years if they divorced in the first year. The couple was barely married a month when the marriage broke up over Suzanne's refusal to abide by a promise to get an abortion. Suzanne had the child, and is now suing for $15 million. Among other things, this shows the importance of full disclosure in the prenuptial contract (the abortion promise should have been part of the agreement), as well as the necessity for fairness. Bronstein says he would never let a client sign an agreement that appears to be so one-sided.

One of the hottest divorce products now is the postnuptial agreement. Why would anyone already married sign such an agreement? For security, replies Bronstein. "The less-moneyed spouse may give up potential assets down the road for control of some money right away," he says.

"Bombers," as the most aggressive divorce lawyers are sometimes called, emphasize that the best time to divvy up property is when a couple is still together and relatively rational. Once the shouting starts and the bombers' scorched-earth tactics begin, most behavior hinges on resentment, hostility, envy and fear.

In this regard, a postnup is often a good chance to renegotiate a prenup. "Five million dollars looked like a lot of money when you signed it in '76," says Bronstein, "but now the co-op alone costs that much." Homes, furnishings and art are frequently divvied up in a postnup. "The wife has spent years decorating the house and building a collection. She doesn't want to get half the cash value; she wants assurance she can keep it."

One New York real estate tycoon agreed to divide his portfolio of a dozen buildings by giving four to his wife. But the settlement almost foundered when she insisted that he manage the buildings for her. With all the complications, one can sympathize with, if not approve of, sly old billionaire H.L. Hunt's approach. The alleged bigamist simply maintained three separate families and kept them secret from one another. ■

Because you asked for it

Every year more than one reader asks us to identify in one place The Forbes Four Hundred members who are currently single. As we went to press, the 54 men and 28 women below were widowed, divorced or otherwise unattached—which is quite different, remember, from available or looking.

Name	Hometown/State	Age	1988 Worth ($mil)
Allen, Paul Gardner	Bellevue, Wash.	35	540
Ansin, Edmund Newton	North Miami, Fla.	52	265
Avery, Alice O'Neill	West Los Angeles, Calif.	71	275
Bass, Edward Perry	Fort Worth, Tex.	43	750
Bren, Donald Leroy	Newport Beach, Calif.	56	1,850
Brown, Harold	Boston, Mass.	63	500
Busch, August Anheuser Jr.	St. Louis, Mo.	89	1,100
Butt, Charles C.	San Antonio, Tex.	50	260
Buttner, Jean Bernhard	Westport, Conn.	53	350
Chambers, Anne Cox	Atlanta, Ga.	68	2,250
Cohn, Seymour	NYC, N.Y.	77	450
Collier, Miles Carnes	Naples, Fla.	41	450
Conover, Catherine Mellon	Washington, D.C.	52	225
Cook, Jane Bancroft	Cohasset, Mass.	76	590
Copley, Helen Kinney	La Jolla, Calif.	65	750
Coulter, Wallace Henry	Hialeah, Fla.	71	500
Cox, Edwin Lochridge Sr.	Dallas, Tex.	66	350
Crain, Gertrude Ramsay	Chicago, Ill.	77	300
Davidson, William Morse	Bloomfield Hills, Mich.	66	500
DeBartolo, Edward John	Youngstown, Ohio	70	1,400
du Pont, Helena Allaire Crozer	Chesapeake City, Md.	75	260
Duchossois, Richard Louis	Barrington Hills, Ill.	67	325
Duke, Doris	Somerville, N.J.	75	800
Durst, Seymour B.	NYC, N.Y.	75	340
Ellison, Lawrence J.	Atherton, Calif.	44	330
Engelhard, Jane B.	Far Hills, N.J.	70	350
Evans, James Emmett	Dade City, Fla.	88	400
Forbes, Malcolm Stevenson	Far Hills, N.J.	69	[p.208]
Freeman, Mansfield	Greensboro, Vt.	93	240
Gates, William Henry III	Seattle, Wash.	32	1,100
Geffen, David	Malibu, Calif.	45	240
Goldman, Lillian	NYC, N.Y.	66	400
Goodson, Mark Les	NYC, N.Y.	73	375
Graham, Katharine	Washington, D.C.	71	600
Green, Dorothy	Beverly Hills, Calif.	80	240
Griffin, Mervyn Edward	Beverly Hills, Calif.	63	300
Gruss, Joseph S.	NYC, N.Y.	85	420
Haas, Fritz Otto	Ambler, Pa.	72	370
Hearst, David Whitmire Jr.	Los Angeles, Calif.	44	370
Hearst, George Randolph Jr.	Los Angeles, Calif.	61	375
Hobby, Oveta Culp	Houston, Tex.	83	650
Hunt, Caroline Rose	Dallas, Tex.	65	900
Jacobs, Richard E.	Lakewood, Ohio	63	440
Johnson, Barbara Piasecka	Princeton, N.J.	51	465
Kalmanovitz, Lydia Koerner	Tiburon, Calif.	84	280
Keck, William Myron	Los Angeles, Calif.	46	245
Kerkorian, Kirk	Beverly Hills, Calif.	71	950
Koch, David Hamilton	NYC, N.Y.	48	1,100
Koch, Frederick Robinson	NYC, N.Y.	55	450
Krehbiel, John Hammond Sr.	Downers Grove, Ill.	82	280
Kroc, Joan Beverly	La Jolla, Calif.	60	745
Lauder, Estée	NYC, N.Y.	80	450
Magness, Bob John	Denver, Colo.	64	435
Marriott, Alice Sheets	Washington, D.C.	81	245
Marshall, Barbara Hall	Kansas City, Mo.	65	285
May, Cordelia Scaife	Ligonier, Pa.	60	450
McCaw, Bruce R.	Seattle, Wash.	42	260
McEvoy, Nan Tucker	San Francisco, Calif.	69	350
Meyer, August Christopher	Champaign, Ill.	87	375
Morgan, Frank Sherman	Kansas City, Mo.	61	300
Murdock, David Howard	Bel Air, Calif.	65	900
Packard, David	Los Altos Hills, Calif.	76	2,000
Paley, William S.	NYC, N.Y.	87	440
Paulson, Allen Eugene	Savannah, Ga.	66	375
Perenchio, Andrew Jerrold	Bel Air, Calif.	57	390
Reynolds, Donald Worthington	Las Vegas, Nev.	82	1,000
Rosenberg, Ruth Blaustein	Baltimore, Md.	89	225
Rudin, Jack	NYC, N.Y.	64	700
Rudin, Lewis	NYC, N.Y.	61	700
Sharp, Peter Jay	NYC, N.Y.	58	300
Smart, Richard Palmer Kaleioku	Honolulu, Hawaii	75	300
Smith, Vivian Leatherberry	Houston, Tex.	80	400
Sulzberger, Iphigene Ochs	NYC, N.Y.	96	225
Taper, Sydney Mark	Los Angeles, Calif.	87	325
Tyson, Barbara	Fayetteville, Ark.	39	265
Ueltschi, Albert Lee	Greenwich, Conn.	71	300
Walton, James Lawrence	Bentonville, Ark.	66	320
Wexner, Leslie Herbert	Columbus, Ohio	51	1,000
Whitney, Betsey Roosevelt	Manhasset, N.Y.	80	300
Woodner, Ian	NYC, N.Y.	85	330
Ziff, William Bernard Jr.	Manalapan, Fla.	57	1,000
Zuckerman, Mortimer Benjamin	NYC, N.Y.	51	250

Thanks to cautious foreign producers, America's wealthiest consumers were not obliged to struggle as hard last year to maintain their purchasing power.

The Forbes Four Hundred Cost of Living Index

By Christie Brown

THERE WAS GOOD NEWS, of sorts, for all in prices this year. The Consumer Price Index, the index to which most American consumers relate, was up only 4.5% at an annual rate through July, little changed from plus 4.4% last year. The people able to spend should have had it so good.

Jean-François Allaux

The Forbes Four Hundred Cost of Living Index rose 10%. But even here the tidings were not entirely bad when compared with last year, when The Forbes Four Hundred index climbed a wallet-numbing 19%.

Why did the country's megarich have to increase their disposable incomes by a relatively minor amount to maintain their purchasing power? To measure the change in the

Apparel			
Coat, natural Russian sable by Maximilian Fur Co., N.Y.	**1976: $40,000**	**1988: $150,000**	**Change 1987-88: +11%**
Dress, Adolfo Couture Classic	**1976: $950**	**1988: $1,500**	**Change 1987-88: none**
Loafers, Gucci	**1976: $89**	**1988: $195**	**Change 1987-88: –13%**
Shirts, 1 dozen cotton Turnbull & Asser, made to measure	**1976: $448**	**1988: $1,357**	**Change 1987-88: +7%**
Shoes, men's black calf wing-tip, custom-made, John Lobb, London	**1976: $202**	**1988: $1,286**	**Change 1987-88: +16%**
Educational expenses			
School, preparatory, Groton, 1-year tuition, room, board	**1976: $4,200**	**1988: $13,900**	**Change 1987-88: +9%**
University, Harvard, 1-year tuition, room, board, insurance	**1976: $5,900**	**1988: $18,200**	**Change 1987-88: +10%**
Entertainment			
Catered dinner, for 40, by Ridgewells, Inc., Washington, D.C. (Menu: soup, salmon, veal, dessert; wine not included)	**1976: $2,200**	**1988: $4,560**	**Change 1987-88: +20%**
Opera, 2 season tickets, Metropolitan Opera, Saturday night, box	**1976: $480**	**1988: $1,764**	**Change 1987-88: +3%**
Food at home			
Caviar, beluga malossol, 1 kilo tin, average retail	**1976: $283**	**1988: $1,100**	**Change 1987-88: +27%**
Champagne, Dom Perignon, case, Sherry-Lehmann, N.Y.	**1976: $300**	**1988: $695**	**Change 1987-88: +9%**
Filet mignon, 7 pounds, Lobels, N.Y.	**1976: $50**	**1988: $84**	**Change 1987-88: –8%**

cost of being rich, Forbes tracks 43 items that roughly match the categories in the U.S. Bureau of Labor Statistics' larger CPI. Curiously, the best buys were to be found in luxury imports—the opposite of what you would expect, given the continued doldrums in the dollar. Six items, including Pratesi silk sheets (Italy), Purdey shotguns (England) and Loewe suitcases (Spain), showed no price change at all. Explanation: There was widespread fear abroad that well-heeled Americans would stop buying after the October stock market crash. Convinced that the U.S. was heading for a recession, foreign manufacturers narrowed margins to hold down prices and maintain orders. (The 13% drop in the cost of Gucci loafers was a special case: Gucci had badly overstocked materials and was working them off.)

Among the made-in-America items in our index, the Learjet 35A, at $3.8 million, didn't rise a penny from its price last year. (The business aircraft market is weak.) But the Lear is an exception. Many American vendors saw what foreigners did not—that the U.S. economy and its consumers remain strong—and the locals have more than made up for importers' pricing caution. U.S. plastic surgeons, for example, have pushed up the cost of staying youthful via a face-lift by 20%. Filling your home with fresh flowers climbed 40%. And the cost of entertaining your 40 closest friends at dinner increased 20%. In the art world, the Sotheby's index rose 39%. Impressionist paintings led the way, with a 65% dollar price rise. This strong showing, of course, reflects the fact that art is an international commodity for which America's wealthy must compete against their classmates from other countries wielding stronger currencies. Should the dollar substantially rally, the price increases for many components of our index should further moderate next year. ■

Item	1976	1988	Change 1987-88
Food away from home			
Dinner, La Tour D'Argent, Paris; Michelin estimated price	1976: $34	1988: $133	+37%
Home furnishings			
Piano, Steinway & Sons, concert grand, Model D, ebonized	1976: $13,500	1988: $43,700	+6%
Flowers in season, arrangements for 6 rooms, changed weekly, by Christatos & Koster, Inc., N.Y., per month	1976: $1,400	1988: $3,500	+40%
Sheets, set of embroidered silk, by Pratesi, queen size	1976: $1,218	1988: $3,020	none
Silverware, Kirk Stieff Co., Colonial Williamsburg Shell pattern, 4-piece place setting, for 12	1976: $1,341	1988: $3,000	none
Lodging while out of town			
Hotel, 2-bedroom suite, park view, The Sherry-Netherland, N.Y.	1976: $250	1988: $700	+6%
Medical care			
Face-lift, Amer. Acad. of Facial Plastic & Reconstructive Surgery	1976: $4,000	1988: $6,000	+20%
Hospital, VIP, Washington Hospital Center, Washington, D.C., 1 day (2 bdrms, lvg rm, concierge, security, gourmet meals)	1976: $325	1988: $567	+10%
Psychiatrist, Upper East Side, N.Y, 45 minutes, standard fee	1976: $40	1988: $140	none
Personal services			
Lawyer, established mid-Atlantic firm, partner, estate planning, average hourly fee	1976: $80	1988: $155	+3%
Spa, The Golden Door, California, basic weekly unit	1976: $1,250	1988: $3,500	+17%
Toilet goods and personal care appliances			
Perfume, 1 oz., Joy by Jean Patou	1976: $100	1988: $250	+9%
Sauna, by Helo, Inc., 6x8 feet, 8-person, cedar, stained-glass window	1976: $5,000	1988: $8,268	+5%
Sporting goods			
Motor yacht, Hatteras 53	1976: $214,700	1988: $613,300	+8%
Sailing yacht, Nautor's Swan 65	1976: $384,300	1988: $1,600,000	+14%

Item	1976	1988	Change 1987-88
Sporting goods			
Shotguns, pair of James Purdey & Sons, at Griffin & Howe, N.Y.	1976: $20,000	1988: $70,000	none
Thoroughbred, yearling, average price at Keeneland select sales	1976: $67,300	1988: $367,800	–1%
Sports facilities			
Swimming pool, Olympic, standard site	1976: $180,000	1988: $505,500	+5%
Tennis court, clay, standard site	1976: $25,000	1988: $45,000	none
Toys and hobbies			
Train set, G gauge, by LGB, FAO Schwarz, N.Y.	1976: $178	1988: $425	none
Transportation, private			
Airplane, Learjet 35A, standard equipment, certified 10 passengers	1976: $1,800,000	1988: $3,800,000	none
Helicopter, Sikorsky S-76B, full executive options (introduced 1978)	1978: $1,300,000	1988: $4,400,000	+19%
Automobile, Rolls-Royce Silver Spirit (formerly Silver Shadow)	1976: $38,000	1988: $117,500	+7%
Transportation, public			
Airline ticket, British Airways Concorde, round-trip N.Y.–London	1976: $1,512	1988: $6,420	+7%
Utilities and public services			
Telephone call, 10 minutes, AT&T, N.Y.–London	1976: $12	1988: $10.54	none
Other goods and services			
Cigars, Cuban, box of Davidoff No. 2, Toronto	1976: $146	1988: $522	none
Magazine, Forbes, 1-year subscription	1976: $15	1988: $48	+6%
Suitcase, Loewe, black napa leather, 27-inch-long	1976: $739	1988: $1,700	none
Watch, Patek Philippe classic man's gold, leather strap	1976: $2,450	1988: $7,150	+13%
Purse, Hermès, "Kelly Bag," calf, 10 inches	1976: $550	1988: $2,350	+9%
Sotheby's Art Market Aggregate Index	1976: $111	1988: $660	+39%

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CAMPEAU'S NEW TAX LOOPHOLE—NEW LIFE IN THE TAKEOVER GAME

OCTOBER 31, 1988

THREE DOLLARS SEVENTY-FIVE CENTS

Forbes

IS THE PROSPERITY HOLLOW?

Is debt out of control...

Do we owe too much to foreigners...

Are we really living beyond our means...

Has deregulation gone too far...

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Forbes

Cover illustration by Stephen Johnson

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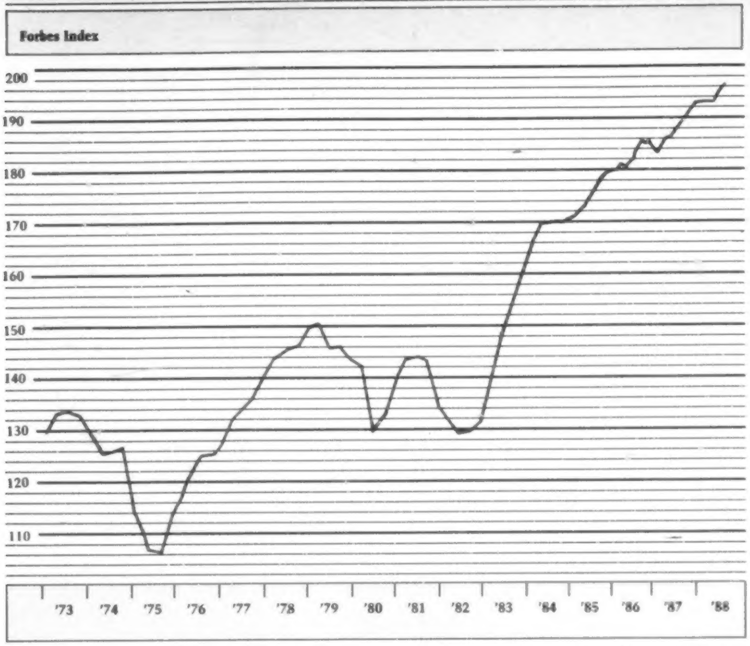
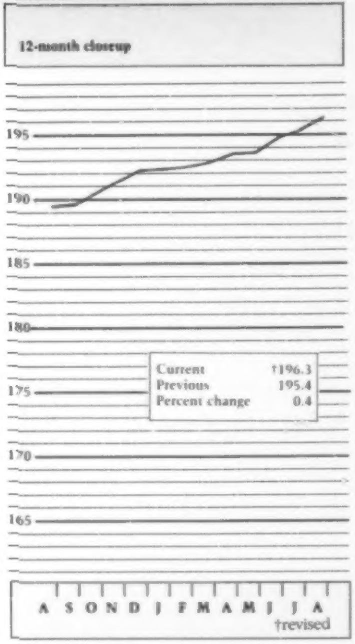
October 31, 1988 Volume 142 Number 10 Forbes (ISSN 0015 6914) is published biweekly except weekly during two weeks in April and two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Canadian second-class postage paid, permit number 9490. Subscription $48 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011. Copyright © 1988 Forbes Inc. Title is protected through a trademark registration in the U.S. Patent Office.

The Forbes Index





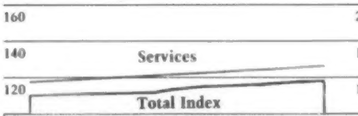
Breathing room. Consumer installment credit rose 0.8% in August, to $653 billion. This represents a 6.7% increase since December 1987. During the same period, however, personal income climbed 7.8%, to $2.46 trillion. Manufacturers' new orders in August were off 1.9% from their June peak but are 5.9% higher than they were during a short-lived slowdown in July. Corporations, meanwhile, have been doing a good job managing their inventory levels: The August figure for manufacturers' inventories is up only 0.4% over the July result.

The unemployment rate dipped in September to 5.4%, the lowest level in three months. The Forbes Index ended August with a 0.5% gain. This marks the seventh straight month in which the Index has closed at a record high.

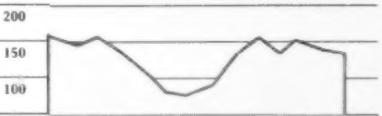
The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

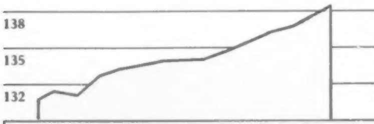
To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



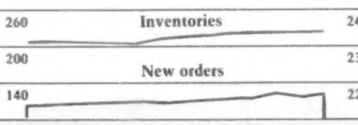
Consumer price indexes (1982-1984 average = 100) all urban consumers, unadjusted (Dept. of Labor)



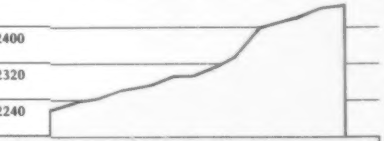
New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)



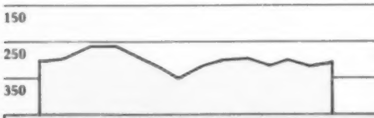
Industrial production index (1967 = 100) seasonally adjusted (Federal Reserve)



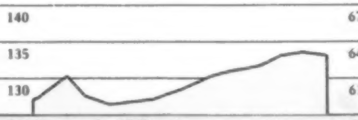
Manufacturers' new orders and inventories ($billions) seasonally adjusted (Dept. of Commerce)



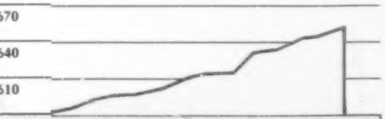
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)



Retail store sales ($billions) seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

Sotheby's Art Market Trends

Index sectors	Sept 1988	One month ago	One year ago	Two years ago	Five years ago	One month % change	One year % change	Two years % change	Five years % change	Five years average annual % change
Old Master paintings	403	403	349	303	217	nil	+15.5	+33.0	+85.7	+13.2
19th-century European paintings	361	361	303	250	197	nil	+19.1	+44.4	+83.2	+12.9
Impressionist & Post-impressionist art	1,091	1,091	661	432	298	nil	+65.1	+152.5	+266.1	+29.6
Modern paintings (1900-1950)	1,090	1,090	666	429	275	nil	+63.7	+154.1	+296.4	+31.7
Contemporary art (1945 onward)	728	728	597	542	383	nil	+21.9	+34.3	+90.1	+13.7
American paintings (1800–pre-WWII)	958	958	789	687	501	nil	+21.4	+39.4	+91.2	+13.8
Continental ceramics	407	407	320	290	272	nil	+27.2	+40.3	+49.6	+ 8.4
Chinese ceramics	684	684	550	486	445	nil	+24.4	+40.7	+53.7	+ 9.0
English silver	388	388	349	338	219	nil	+11.2	+14.8	+77.2	+12.1
Continental silver	260	260	201	192	156	nil	+29.4	+35.4	+66.7	+10.8
American furniture	469	469	452	380	239	nil	+ 3.8	+23.4	+96.2	+14.4
French & Continental furniture	355	355	319	285	249	nil	+11.3	+24.6	+39.8	+ 6.9
English furniture	784	784	594	447	309	nil	+32.0	+75.4	+153.7	+20.5
Aggregate index*	660	660	475	369	275	nil	+38.9	+78.9	+140.0	+19.1

Basis: 1975 = 100 ($).

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*Contemporary art was added to the Art Index in September 1987. The aggregate index excludes this category prior to that date.

Sotheby's Art Market Trends reflect subjective analyses and opinions of Sotheby's art experts, based on auction sales and other information deemed relevant. Nothing in Sotheby's Art Market Trends is intended as investment advice or as a prediction or guarantee of future performance or otherwise.

Market highlights

September, traditionally a light month for the auction houses, saw a notable auction in London—the sale of more than 2,000 lots belonging to British rock star Elton John. John's collection, built over 20 years and ranging from pop memorabilia to fine jewelry, sold for $8.2 million.

The event had a number of elements in common with last season's two main "celebrity sales," the collections of Andy Warhol and Liberace. The Elton John collection contained many of his stage costumes and other entertainment memorabilia, as well as a number of items that stood as fine works of art in their own right. Among the fine works of art, "Hommage à Alphonse Allais" by René Magritte sold to a Belgian collector for $119,680, more than $34,000 above the top estimate. Prices for the star's eyeglasses—the hallmark of his personal style—and his elaborate stage costumes fetched many times expectations. For example, a pair of illuminated eyeglasses estimated to sell for $1,350 to $2,000 brought $16,830.

Toward the end of the month, again in London, the British Rail Pension Fund disposed of a further part of its artwork collection, selling its books and manuscripts. The fund's managers had acquired art specifically for investment purposes in the latter half of the 1970s, when inflation was at an alltime high and investment managers were looking to "alternative investments" to provide a real return. A couple of years ago the fund changed policy direction under new management and decided to sell parts of the collection. The results of these sales thus far have produced price rises that have kept pace with or exceeded inflation rates.

Selling for a total of $4.4 million, the book and manuscript collection exceeded pre-auction price expectations. Among the highlights, a 16th-century Italian atlas (the Doria Atlas) went for $420,750, and John Gould's "Birds of Australia" sold for $317,900. The British Library was the successful buyer, at $224,000, of the third volume of "Juvenilia," a Jane Austen manuscript containing two of her earliest novels. Since the manuscript is considered an important document of Britain's literary heritage, the British were relieved to win the competitive bidding round and retain the manuscript in their country.

Sotheby's

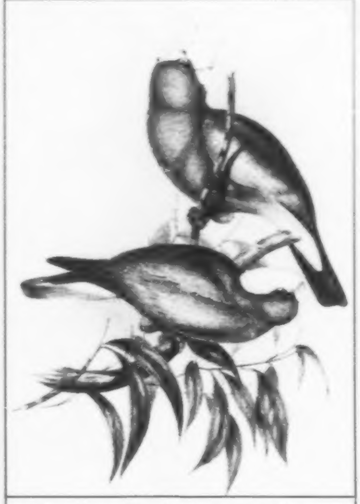
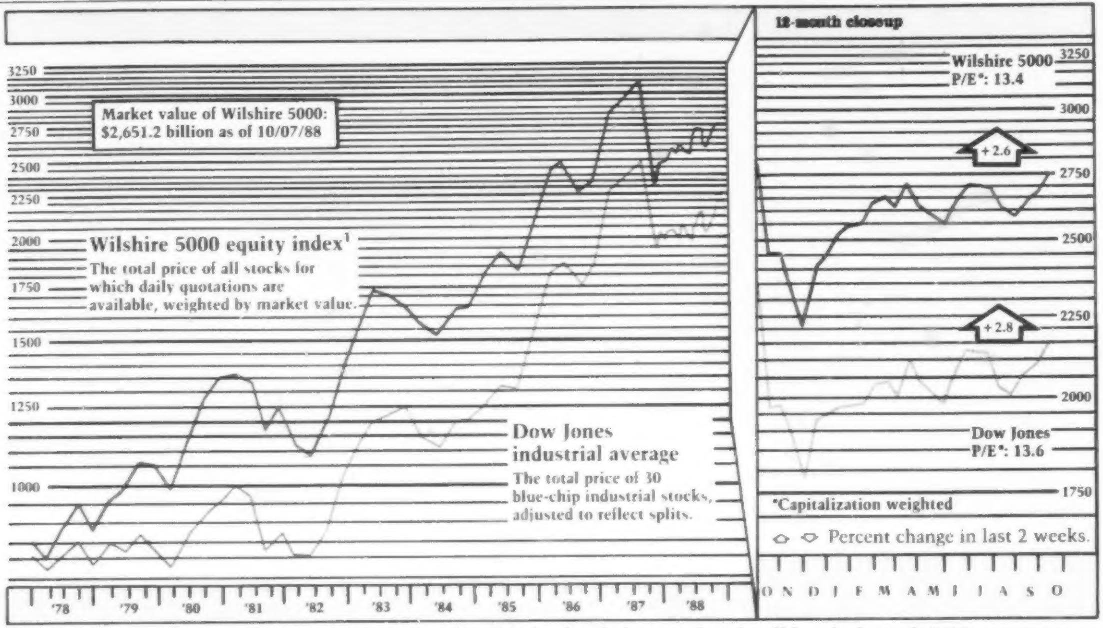


Plate from "Birds of Australia"

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Dreams of lower interest rates. In the two weeks ended Oct. 7, the Dow industrials moved up almost 60 points, or 2.8%, in a rally that favored big stocks. The NYSE was up 2.9%, the Amex 1.6% and the Nasdaq only 0.2%. The Dow, which closed at 2150, is once again at the upper end of its postcrash trading range.

Encouraging words are being heard. Thus, for example, John C. Brooks, a managing director of Atlanta-based securities firm Marshall & Co., thinks that the market is headed upward and will break through 2700 sometime in 1989. Brooks points to four sectors that have performed very well since June: brokers, S&Ls, insurers and utilities. He reads this as an expectation of lower interest rates.

If interest rates do come down, investors may be willing to pay a higher multiple for stocks. The Dow is now trading at 13.6 times latest 12-month earnings, while the Wilshire P/E is 13.4. One year ago, prior to meltdown Monday, the respective multiples were 21.3 and 20.2.

Closeup On the Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	3.7	4.1	3.9	4.0	2.1	1.1
in last 52 weeks	–10.5	–11.7	–13.4	–10.2	–12.4	–12.0

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 23	under 9	over 4.7%	none	high	low	over $35	under $4
in last 4 weeks	4.2	0.8	1.1	1.0	0.3	2.8	1.6	3.3	0.9	2.5	3.8	–0.4
in last 52 weeks	–5.9	16.9	18.2	7.5	–5.9	2.9	4.7	22.4	17.3	4.1	–2.8	11.9

[1] Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2] Based on sales. [3] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [4] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

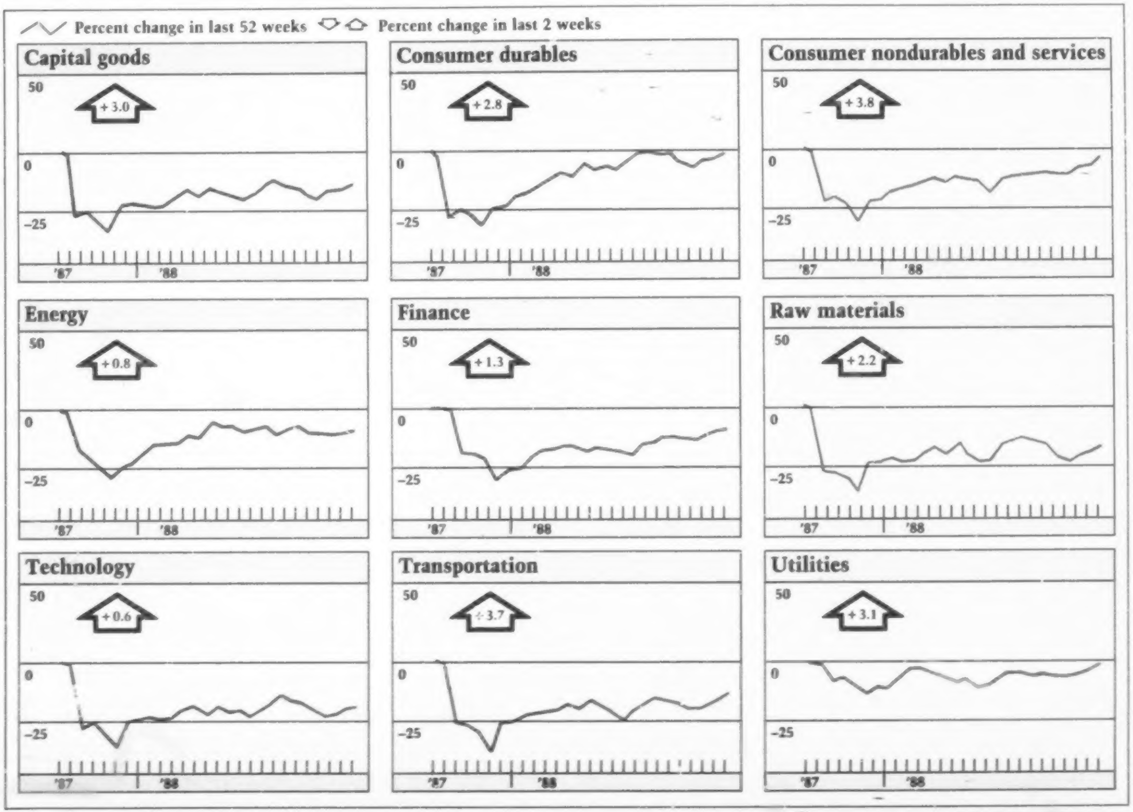
Note: All data for periods ending 10/07/88. Prepared by Wilshire Associates, Santa Monica, Calif.

Steven Ramos

Where the Action Is

Problems in Lotusland. On Oct. 7, when the market rallied 42 points, Lotus Development dropped 3, to 16¾, after announcing additional delays in the upgrade for its main software program, 1-2-3. The drop in Lotus contributed to the weak showing for the technology sector. Lotus has lost about $1 billion in market value over the past 12 months as its capitalization declined to $750 million. Yet the bears are looking for more trouble. Between August and September the short interest on Lotus doubled to about 1 million shares. This was the second-largest increase in short interest on the Nasdaq.

Terence Quinn, a software analyst at Drexel Burnham, expects Lotus to earn only $1.50 this year, which gives the stock an estimated 1988 earnings multiple of 11.2.



What the Analysts Think

In reverse. Transportation stocks show the sharpest cuts in 1988 earnings estimates. Hit hardest was Kansas City Southern, which saw forecasts reduced 19 cents, to $2.62. In addition, this company is challenging a $600 million judgment awarded against it by a South Dakota jury. Burlington Northern and CSX also had lower forecasts.

Forecasting the Forbes Sales 500

Performance period	Average earnings per share	P/E
latest 12 months	$3.20	12.4
1988 estimates	3.59	11.0
1989 estimates	3.96	10.0

Rank based on change in estimate	Sector	Estimated 1988 EPS	Estimated 1988 P/E	% change in 1988 estimate in 2 weeks	% change in 1988 estimate in 4 weeks
1	Consumer durables	$4.70	11.1	0.59%	0.75%
2	Raw materials	3.23	9.7	0.21	0.60
3	Capital goods	2.63	14.3	0.08	0.17
4	Finance	3.42	8.9	0.07	–0.50
5	Utilities	2.39	10.4	0.05	–0.10
6	Energy	3.21	12.0	–0.22	–1.06
7	Consumer nondurables	2.45	14.2	–0.26	–0.32
8	Technology	2.92	11.6	–0.47	–0.75
9	Transportation	2.26	12.4	–2.00	–2.91

Earnings projections are capitalization-weighted consensus estimates from over 3,000 security analysts. Data are compiled and updated continually by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 10/07/88. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.